

ALASKA STATE LEGISLATURE
HOUSE COMMUNITY AND REGIONAL AFFAIRS STANDING COMMITTEE

April 10, 2012

9:09 a.m.

MEMBERS PRESENT

Representative Cathy Engstrom Munoz, Chair
Representative Neal Foster, Vice Chair
Representative Alan Austerman
Representative Alan Dick
Representative Sharon Cissna

MEMBERS ABSENT

Representative Dan Saddler
Representative Berta Gardner

COMMITTEE CALENDAR

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 159(RES)

"An Act establishing the Susitna State Forest; urging the Governor to acquire forest land that is currently in the Tongass National Forest; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 159

SHORT TITLE: SUSITNA STATE FOREST/TONGASS FOREST

SPONSOR(S): SENATOR(S) MENARD

01/17/12	(S)	READ THE FIRST TIME - REFERRALS
01/17/12	(S)	RES, FIN
03/12/12	(S)	RES AT 3:30 PM BUTROVICH 205
03/12/12	(S)	Heard & Held
03/12/12	(S)	MINUTE(RES)
03/14/12	(S)	RES AT 3:30 PM BUTROVICH 205
03/14/12	(S)	Heard & Held
03/14/12	(S)	MINUTE(RES)
03/16/12	(S)	RES AT 3:30 PM BUTROVICH 205
03/16/12	(S)	Scheduled But Not Heard
03/19/12	(S)	RES AT 3:30 PM BUTROVICH 205
03/19/12	(S)	Moved CSSB 159(RES) Out of Committee
03/19/12	(S)	MINUTE(RES)
03/21/12	(S)	RES RPT CS 3DP 3NR NEW TITLE

03/21/12 (S) DP: WAGONER, PASKVAN, MCGUIRE
 03/21/12 (S) NR: FRENCH, WIELECHOWSKI, STEVENS
 04/02/12 (S) FIN AT 9:00 AM SENATE FINANCE 532
 04/02/12 (S) Heard & Held
 04/02/12 (S) MINUTE(FIN)
 04/03/12 (S) FIN AT 9:00 AM SENATE FINANCE 532
 04/03/12 (S) Moved CSSB 159(RES) Out of Committee
 04/03/12 (S) MINUTE(FIN)
 04/04/12 (S) FIN RPT CS (RES) 6DP 1NR
 04/04/12 (S) DP: HOFFMAN, STEDMAN, THOMAS, EGAN,
 MCGUIRE, ELLIS
 04/04/12 (S) NR: OLSON
 04/04/12 (S) TRANSMITTED TO (H)
 04/04/12 (S) VERSION: CSSB 159(RES)
 04/05/12 (H) READ THE FIRST TIME - REFERRALS
 04/05/12 (H) CRA, RES
 04/10/12 (H) CRA AT 9:00 AM BARNES 124

WITNESS REGISTER

SENATOR LINDA MENARD
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: Spoke as the sponsor of SB 159.

MICHAEL ROVITO, Staff
 Senator Linda Menard
 Alaska State Legislature
 Juneau, Alaska

POSITION STATEMENT: During hearing of SB 159, answered questions on behalf of the sponsor, Senator Menard.

CHRIS MAISCH, Director/State Forester
 Division of Forestry
 Department of Natural Resources
 Fairbanks, Alaska

POSITION STATEMENT: Provided testimony on SB 159.

THOR STACEY
 Alaska Professional Hunters Association (APHA)
 Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 159.

JOHN SANDOR
 Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 159.

BRIAN KLEINHENZ, Forester
Sealaska Native Corporation;
Chairman, Alaska Society of American Foresters - Juneau Chapter
Juneau, Alaska

POSITION STATEMENT: Testified in support of SB 159.

TOM BOUTIN
Juneau, Alaska

POSITION STATEMENT: Urged moving SB 159 today.

ROD ARNO, Executive Director
Alaska Outdoor Council (AOC)
Palmer, Alaska

POSITION STATEMENT: Testified in opposition to SB 159.

NICK STEEN
Ruffed Grouse Society - Alaska Chapter
Wasilla, Alaska

POSITION STATEMENT: Although he wholeheartedly supported the concept of the Susitna State Forest, he testified in opposition to SB 159.

CARL PORTMAN, Deputy Director
Resource Development Council (RDC)
Anchorage, Alaska

POSITION STATEMENT: Testified in support of CSSB 159(RES).

MELVIN GROVE, President
Alaska Outdoor Access Alliance
Big Lake, Alaska

POSITION STATEMENT: Urged the committee not to pass SB 159.

GEORGE WOODBURY
Alaska Forest Association
Wrangell, Alaska

POSITION STATEMENT: Testified in support of SB 159 and urged quick action.

MARK STAHL, Owner/Operator
Denali Log & Lumber
Talkeetna, Alaska

POSITION STATEMENT: Testified in support of SB 159 and urged quick action.

ERIN MCLARNON
Willow, Alaska

POSITION STATEMENT: Testified in support of SB 159.

LELANI KNIGHT-MCQUEEN
Tlingit-Haida Central Tribal Council
Juneau, Alaska

POSITION STATEMENT: Testified in opposition to SB 159.

DANE CROWLEY, Forester/Executive
Superior Pellet Fuels
Fairbanks, Alaska

POSITION STATEMENT: Urged the committee to forward SB 159 and include amendments guaranteeing access.

ACTION NARRATIVE

[9:09:21 AM](#)

VICE CHAIR NEAL FOSTER called the House Community and Regional Affairs Standing Committee meeting to order at 9:09 a.m. Representatives Austerman, Dick, and Foster were present at the call to order. Representatives Munoz and Cissna arrived as the meeting was in progress.

SB 159-SUSITNA STATE FOREST/TONGASS FOREST

[9:09:39 AM](#)

VICE CHAIR FOSTER announced that the only order of business would be CS FOR SENATE BILL NO. 159(RES), "An Act establishing the Susitna State Forest; urging the Governor to acquire forest land that is currently in the Tongass National Forest; and providing for an effective date."

[9:10:02 AM](#)

SENATOR LINDA MENARD, Alaska State Legislature, speaking as the sponsor of SB 159, reminded the committee that Article VIII, Section 4 of the Alaska Constitution addresses sustainable yield as follows:

Section 4. Sustained Yield.
Fish, forests, wildlife, grasslands, and all other replenishable resources belonging to the State shall be utilized, developed, and maintained on the sustained yield principle, subject to preferences among beneficial uses.

SENATOR MENARD explained that SB 159 seeks to further accomplish the aforementioned constitutional mandate by creating the Susitna State Forest. Per SB 159 the Division of Forestry would manage state forests for a long-term supply of timber to local processors and retain the land in state ownership for multiple users. As can be gleaned from the maps in the committee packet, the proposed state forest includes 33 parcels totaling approximately 763,200 acres. These Forestry classified lands are located in 14 large management blocks. Legislatively designating a state forest would ensure that some land, a little less than 5 percent of over nine million acres of state land in the Mat-Su Borough, would remain available for long-term forest management. Furthermore, the region would retain large open spaces of public land for the range of benefits residents currently enjoy. A state forest designation provides the Division of Forestry the assurance that the lands they're managing will be there in perpetuity. Moreover, the Division of Forestry is more apt to invest resources for better roads. There is also a need for more actively managed lands and vegetation in order to provide for a variety of forest ages, which provide for diverse and healthy habitat for wildlife. At the same time, active management will help reduce wild land and the extreme fire risk by breaking up the large fuel types and encouraging regeneration of hard wood species. This legislation, she opined, will set the groundwork necessary to accomplish the aforementioned. She informed the committee that besides the professional mills, the state forest would maintain a supply of hard wood for personal use. Round wood, wood chips, and wood pellets have become more common in the world and sought for residential space heating. Therefore, it's important for Alaskans to have a place managed for them to obtain such materials. In fact, the Mat-Su Valley High School is considering woody biomass to heat the high school. By passing SB 159, the Susitna State Forest will become the fourth state forest in Alaska.

[9:14:19 AM](#)

Due to technical difficulties the committee took a brief at-ease.

[9:14:52 AM](#)

SENATOR MENARD, continuing her presentation, specified that the Division of Forestry will manage the Susitna State Forest as part of the state forest system under AS 41.17.200-.230. The division will be required to prepare a management plan within

three years of the creation of the forest. Senator Menard told the committee that the Susitna Forest is a long time coming as the Division of Forestry has put many years of work into this plan.

SENATOR MENARD then explained that CSSB 159(RES) includes exclusions for private lands after working with the Division of Forestry and the Division of Mining, Land and Water to locate and designate those exclusions within the boundaries of the proposed Susitna State Forest. The CSB 159(RES) also includes intent language on page 31 to urge the governor to purchase/acquire land from the Tongass National Forest in Southeast Alaska. From a fiscal standpoint, the Division of Forestry won't require new positions to administer this new state forest as is indicated in the division's fiscal note that relates no negative fiscal impact to the state. In conclusion, Senator Menard said that SB 159 has been well vetted and would be a positive addition to the state.

[9:17:20 AM](#)

REPRESENTATIVE AUSTERMAN related his initial hesitation to set aside more state lands that have the potential to be developed. However, discussions with the sponsor's staff clarified that there are many things that will be allowed in this proposed state forest that aren't allowed in other designated areas. He then inquired as to how the parcels were designated as appropriate for inclusion in a state forest.

SENATOR MENARD deferred to the Division of Forestry, but noted that there were inholdings that she didn't want to disrupt. She identified the area of the proposed Susitna State Forest as being from Houston on the west side up through a bit above Talkeetna.

[9:18:33 AM](#)

VICE CHAIR FOSTER inquired as to whether access was considered for those that have private lands within the proposed forest.

SENATOR MENARD replied yes. She then informed the committee that now that the other state forests are complete, the Division of Forestry can use its revenue for the proposed Susitna State Forest to construct roads and trails while keeping in mind all users. Senator Menard told the committee that she has observed the timber industry falter [from the top five industries of

Alaska] because of the inability of small processors to participate.

[9:20:18 AM](#)

REPRESENTATIVE CISSNA related her belief that with logging and multiple users there will be the need for trails and roads, and therefore the proposed Susitna State Forest seems to be the perfect marriage if done appropriately. She then asked if there's an organization that is working on ideas to create support of the various activities.

[9:21:58 AM](#)

MICHAEL ROVITO, Staff, Senator Linda Menard, Alaska State Legislature, informed the committee that he has spoken with various user groups, including mushers, trappers, and hunters, who are excited about the possible benefits of a state forest designation. For instance, the hunters were excited about the increased management of the timber and the clearing out of some of the old growth to promote better habitat for moose. A musher group from Willow was excited about the possibility of roads that allow them to run their dog teams into the forest.

[9:22:55 AM](#)

SENATOR MENARD emphasized that the land in the proposed Susitna State Forest is state land and will remain as such; the only change is the proposal to designate it as a state forest.

[9:23:38 AM](#)

REPRESENTATIVE AUSTERMAN informed the committee that the National Wildlife Refuge on Kodiak Island has a lot of private inholding lands. The owners of private inholdings are fairly limited in terms of what they can do outside the private inholdings. Therefore, he asked whether there has been a discussion regarding the impact of a state forest designation on the owners of the private inholdings within the proposed state forest.

SENATOR MENARD acknowledged that although she has done a great deal of due diligence, there won't be 100 percent buy-in. However, private inholdings within a state forest are almost ensured there won't be subdivisions. She characterized a state forest designation as a protection to the private landholders.

[9:25:18 AM](#)

CHRIS MAISCH, Director/State Forester, Division of Forestry, Department of Natural Resources, clarified that a state forest designation is a broader land use designation than a state park and allows for multiple use, use of renewable resources, and access. He then explained that currently the Division of Forestry manages the lands proposed for the Susitna State Forest for forestry purposes because they are classified as forestry lands per the area planning process. The Susitna Matanuska Area Plan and the Southeast Susitna Area Plan both govern the use of the proposed state forest. Both plans have gone through an extensive public process, which zones various portions of land for different uses. The state-owned land could be zoned for purposes of settlement, forestry, and recreation. Mr. Maisch explained that the lands on the proposed Susitna forest were chosen because they are highly productive forest lands that are good locations to practice forestry and were previously identified during the public process as potential state forest land. This legislation proposes to designate the lands identified in the [area plans] as state forest lands. He informed the committee that the division has performed a forest inventory of these lands, which provides the sustained yield and amount of timber available on these lands so that the sustained yield and renewable yield practices could be followed on these lands. One of the key points [with SB 159] is to promote the concept of an anchor forest as it will retain many of the values in the Mat-Su Valley and allow the development of the timber industry in a sustainable manner. The development of the timber industry provides local jobs for local businesses, which are often small and locally owned. Furthermore, the development of the timber industry offers resources to help address the energy problems many communities face. Where there are state forests, one can be assured of a long-term sustainable supply of fuel for these energy projects. For instance, both the Tok and Delta schools recently installed biomass boilers that are fired by the wood from the state forest. There are many other communities, including Talkeetna, that are considering wood biomass for its school system. Mr. Maisch then turned to the public process that began in 2008 when the first area plans were being revised for the areas. Starting in 2009 there were seven different public meetings organized as part of the area planning process. Furthermore, each winter the division meets with the winter trails users group in the Mat-Su Valley during which there is discussion regarding the state forests. There were nine meetings as part of the area planning process for the Susitna Matanuska Area Plan; these meetings were held throughout the

Mat-Su Valley and 110 people attended these meetings. In 2009, there were six other additional meetings to discuss just the forest management portion of the area plans. Over 22 scoping comments particular to forestry topics were received and 88 people attended those meetings.

9:30:11 AM

Due to technical difficulties the committee took an at-ease from 9:30 a.m. to 9:34 a.m.

9:34:14 AM

MR. MAISCH, continuing his review of the community involvement that occurred as part of the area planning process, informed the committee that once SB 159 was introduced seven additional meetings were held in the local communities, including a town hall meeting at the Matanuska-Susitna Borough. There have also been numerous newspaper articles and radio stories as SB 159 has moved through the process. Mr. Maisch characterized it all as a good and aggressive outreach effort to communicate the proposal to the public and the various local government units in the Mat-Su Valley.

9:35:03 AM

REPRESENTATIVE CISSNA opined that this opportunity is great because it focuses on sustainability. However, she asked whether there have been any discussions regarding the value-added aspect of forestry.

MR. MAISCH replied yes, adding that the division and the department have been very involved and helped facilitate the value-added topic. For instance, the bowl factory in Fairbanks uses birch wood from the Mat-Su Valley to make its bowls. The aforementioned is a good example of the interconnectivity between areas. He highlighted the Birch Works company that taps birch trees for sap to make syrup, which could occur in the state forest. There are also traditional mills that are cutting wood for value-added projects. Energy is also an important aspect of timber. Traditionally wood has been thought of as boards, chips, and perhaps firewood not a replacement for fuel oil, which occurs in larger applications in which the wood chips or wood pellets in boilers are used for space heating of large public facilities. The aforementioned is very cost effective, renewable, and local.

9:37:55 AM

THOR STACEY, Alaska Professional Hunters Association (APHA), related support for SB 159. He informed the committee that the Alaska Professional Hunters Association currently has about 129 professional members who have active guiding businesses across the state while there are about 2,000 general members. The [hunting/guiding] industry relies on wise, foresighted land management practices in regard to renewable resources, specifically game. The APHA considers the principle benefit of SB 159 as maintaining in the public domain large tracts of land close to population centers in south Central Alaska. In general, public land favors the [hunting/guiding] industry over private land. He mentioned the benefits development of timber in the region has for habitat, specifically with regard to moose. Having a good sustainable timber harvest in areas with intensive fire suppression policies encourages a variety of second growth and first growth habitat from which large undulates benefit. Mr. Stacey opined that the results of SB 159 are predictable as guiding has continued to thrive in the Haines State Forest and the Tanana State Forest. In general, forest designations haven't impacted guiding. In conclusion, Mr. Stacey reiterated support for SB 159 and encouraged the committee to move the legislation forward to the House Resources Standing Committee where it's a better forum for vetting the legislation, particularly in terms of remaining length of the session. Furthermore, the amount of public input the legislation has received over the last few years warrants it moving [through the legislative process] quickly.

9:41:16 AM

JOHN SANDOR, relating his support for SB 159, paraphrased from the following written statement [original punctuation provided]:

I served in the U.S. Army during 1945-1946 of World War II, and later earned a Bachelor's Degree in Forest Management and a Master's Degree in Public Administration.

I first came to Alaska in March, 1953 to survey the forest of Southeast Alaska that year. I subsequently served in various forestry assignments throughout the U.S. and served as Regional Forester for the Alaska Region of the Forest Service from 1976 until retirement from the Forest Service in 1984.

During Governor Walter Hickel's 1990-1994 term of office, I also served as Commissioner of the Alaska Department of Environmental Conservation.

I support Senate Bill 159 which will designate over 760,000 acres of state land as the Susitna State Forest in South Central Alaska. State Forest designation helps assure the professional management of Alaska's forest lands for the sustainable benefit of present and future generations of Alaskans.

I also support the SB 159 provisions which urges the Governor to acquire additional forest land currently in the Tongass National Forest. This provision will enable the State of Alaska to manage a State Forest in Southeast Alaska.

MR. SANDOR related that the [provisions urging the governor to acquire additional forest land] is especially critical since the Obama Administration has designated all of Southeast Alaska as roadless areas. He recalled 1953 through the years he served [in various forestry assignments] when there were two pulp mills, a dozen sawmills, and over 3,500 jobs directly [related to forestry], and an additional 3,500 jobs supporting forestry. He lamented that the [Tongass National] Forest has essentially been closed down to multiple use management. Mr. Sandor urged the committee to move SB 159 forward quickly to restore the use and access of the forest around the state.

[9:44:11 AM](#)

BRIAN KLEINHENZ, Forester, Sealaska Native Corporation; Chairman, Alaska Society of American Foresters - Juneau Chapter, related his background, including serving as the Alaska Native seat alternate on the Board of Forestry. Mr. Kleinhenz provided the following testimony:

The designation of a state forest allows our Division of Natural Resource land managers to invest time and effort and money in forest planning and on-the-ground stewardship practices. The creation of state forests is an important way to guarantee the health of Alaska working forests for future generations of Alaskans. The Susitna State Forest bill is sound legislation; I support its passage and I would like to advocate that this bill move as far as possible in the current session.

9:45:28 AM

TOM BOUTIN informed the committee that he is a certified forester and a past Alaska state forester. He requested that the committee move SB 159 forward today, particularly given the short time left in session. The state owns 22 million acres of commercial forest land, most of which isn't located in a state forest. Most of the timber harvested on state land since statehood has been from state land that isn't located in a state forest. Placing state land in a state forest doesn't negate any use, although it allows the state forester to make investments, usually out of timber sale receipts, to say build a bridge that lasts rather than a lower quality log bridge. Furthermore, forest management increases access and moose habitat, particularly in the Mat-Su Valley, and it reduces fire suppression costs. He again reiterated the desire for the committee to forward SB 159 from committee.

9:48:09 AM

ROD ARNO, Executive Director, Alaska Outdoor Council (AOC), informed the committee that AOC is a group of about 10,000 Alaskans who hunt, fish, trap, and enjoy the outdoors. Thousands of AOC's members live in Southcentral Alaska and use the land described in SB 159. Generally, AOC doesn't oppose the designation of public lands as state forests, but it does oppose SB 159 as written as well as the process through which it has been. He emphasized the need for the committee to understand that it is legislatively designating a specific use of state land. Upon review of the state and the country, one discovers that the land that can't be used is land that's closed to the public and has been legislatively designated land by either Congress or the Alaska State Legislature. This legislation needs to have a specific provision to guarantee access to these lands after the lands are designated as a forest. He urged the committee not to trust DNR will do so. If the legislature is going to designate the land, it should establish the policy regarding who gets to use the land. The proposed Susitna State Forest is the largest parcel of land near the populated center of Alaska; 9 million acres that's close to 75 percent of the state's population. The proposed Susitna State Forest is the most affordable and accessible place for people to go when they head out after work from Anchorage, Chugiak, Eagle River, Palmer, and Wasilla.

MR. ARNO then opined that SB 159 is moving way too fast. When the legislature created the Tanana State Forest in 1982/1983 it allowed the public to participate over the interim. Furthermore, when the legislature created the Southeast State Forest, it was introduced in the first session and passed in the second session. This legislation, however, was just introduced a few weeks ago. He expressed the need to have a substantive hearing in the area after work hours. He then recalled the late 1980s when the Susitna Forest guidelines process first started, there was massive public opposition to creating the forest. In 2008 and 2009 the Susitna Forestry Guideline Citizen Advisory Committee, of which he was a member, had meetings, but they resulted in no conclusion because more input was necessary. With regard to the zero fiscal note for SB 159, Mr. Arno opined that DNR can't perform this work for free. He reminded the committee that just a few years ago the Knik Public Use Area, small in comparison to the Susitna State Forest, was created and DNR told the legislature it would cost tens of thousands of dollars to plan how to use that area. Therefore, he questioned how DNR would now plan an entire state forest for free, and thus he emphasized the need to nail down the true cost.

[9:51:57 AM](#)

NICK STEEN, Ruffed Grouse Society - Alaska Chapter, informed the committee that he has worked with the legislators from the Mat-Su Valley, particularly Senator Menard's office, for the past two years to obtain a Susitna State Forest [designation]. However, Mr. Steen said he couldn't support SB 159 at this time. Although the society wholeheartedly supports the concept of a Susitna State Forest, the legislation doesn't do what the society believes should be done. He specified the need for all encumbered state lands located between the Beluga River and the Denali National Park and Preserve draining into the Susitna River to be included in a Susitna State Forest. The goal is to hold all of the aforementioned land in trust for public use and a forest designation, which is the broadest spectrum of management and would provide the greatest use of those lands. A state forest designation would allow the forest industry to coexist with the wildlife habitat, hunting, trapping, fishing, public recreation, mining, et cetera. The only restriction would be against the transfer of those lands into private ownership, which the Ruffed Grouse Society opposes. This legislation attempts to establish a state forest with 14 noncontiguous parcels of land, which he likened to calling the roads of King Salmon, Bethel, McGrath, and Barrow areas an interstate highway system. Mr. Steen urged the committee to

rewrite SB 159 to encompass all unencumbered state lands between Beluga River and Lake to the Denali National Park and Preserve draining into the Susitna River as a state forest. Although some of the aforementioned land isn't prime timber producing areas, including it would enable reasonable management of the resources without the restriction of NIMBY [not in my backyard] that strangles active land and forest management in the state's more developed areas. The legislation is written to implement the Susitna-Matanuska Area Plan (SMAP), which is a planner's idea of what could or should be done with state lands. However, the Ruffed Grouse Society believes the legislature should direct the use and [designation] of lands, not DNR. The DNR, he opined, appears to be attempting to satisfy everyone's needs by subdividing the land into many small designations of restricted use, such as for agriculture, forest, wildlife habitat, public recreation, mining, and public ownership. However, no one wins in the aforementioned approach. The DNR planners, he charged, selected only the prime timber areas for inclusion in a state forest without consideration of the myriad of other uses the forest offers. Mr. Steen specified that a state forest needs to be a contiguous, all-encompassing land mass that will protect its potential for resource development and management and public use. If it isn't possible to alter SB 159 under the time constraints of this session, Mr. Steen urged the committee to reject SB 159 and reconsider a state forest designation during the next legislative session. Passing the legislation this year and coming back next year to amend and correct it, as was suggested to him by several legislators and bureaucrats, isn't the correct approach. Mr. Steen urged the committee to address the matter correctly the first time and fix the legislation now.

[9:55:39 AM](#)

VICE CHAIR FOSTER, referring to a February 9, 2012, letter from the Ruffed Grouse Society, related his understanding that the society is requesting an expansion of SB 159.

MR. STEEN reiterated that the Ruffed Grouse Society supports the concept of SB 159, but believes the entire area needs to be set aside as a state forest rather than just small designated timber areas. The SMAP, as developed by DNR, wants to establish many small designated areas, which creates difficulties for management. Furthermore, the SMAP makes it almost impossible for the general public to utilize the land because [of the patchwork of land ownership].

[9:57:05 AM](#)

CARL PORTMAN, Deputy Director, Resource Development Council (RDC), related support for CSSB 159(RES). He further related that RDC believes the proposed state forest will be beneficial to the local economy by creating and sustaining much needed jobs for the forest products industry while providing many other opportunities. The RDC also supports Section 2, which was added to the legislation in order to help address the critical timber supply issues in Southeast Alaska. The communities in Southeast were limited to community development land selections in Southeast since statehood because Congress assumed that federal national forest lands in the Tongass National Forest would continue to be managed to provide for an integrated timber industry in the region. Therefore, Congress assumed there was little need in Southeast for a substantial state land base since the natural resources on the federal lands including timber and minerals would serve as the foundation for the economy. However, since statehood the federal land management regime has evolved from true multiple uses to one of very restrictive management plans that have closed the vast majority of the nation's largest national forests timber harvesting. As a result, the Southeast region's forest product industry is a mere shadow of itself and is struggling to survive. Section 2 of the legislation encourages the administration to pursue a remedy to the inequity by encouraging the governor to negotiate amendments to the Statehood Act or failing that to purchase federal lands that aren't contributing in a meaningful way to a balanced economy in Southeast Alaska. Mr. Portman stated that RDC supports this amendment and views it as a forward looking approach to breaking the otherwise gridlocked timber issues for Southeast Alaska. In conclusion, Mr. Portman urged the committee's support for CSSB 159(RES) to help grow a renewable forest products industry in Southcentral and Southeast Alaska, which will be a win-win for both regions.

[10:00:02 AM](#)

MELVIN GROVE, President, Alaska Outdoor Access Alliance, stated that SB 159 makes wholesale changes to the status of hundreds of thousands of acres of land in the Mat-Su Valley area, yet there hasn't been a single hearing in any of the communities affected. Although DNR hasn't had any public meetings on this issue, it did have hearings on the recently updated Susitna Area Plan. Many people turned out for those meetings because they are interested in how the state wants to use the land. When [area residents] inquired about the forestry and timber cutting, they were told "Trust us, it'll be in the next plan." "At some point

you'd think the state would tell us what they're planning to do with our land," he opined. Mr. Grove reminded the committee that in 2010, the legislature created the Southeast Alaska State Forest and that process took over two years, yet it's the smallest state forest and located in an area with a forestry culture. However, SB 159 has only been around for a few weeks and in the Susitna Valley there is no forestry culture and very few hearings and articles from which the public can educate itself and participate in the process. He reminded the committee, "Please remember that you are there to represent us not impose things on us." He then expressed concern with the lack of language in SB 159 guaranteeing public access to reclassified lands, although virtually every legislator says he/she supports public access to public lands. Therefore, the ability for local residents to have access to these areas must be written into SB 159 otherwise he predicted that eventually the Board of Game through the Board of Fisheries will restrict motorized access of the area. The Alaska Professional Guide Association, located in many areas of the state, has [been successful] in restricting motorized access to support only the guide industry, he opined. He reminded the committee that the POGO mine created a road system for the mining area, but hunters are restricted from that public access because of the commercial use. He expressed the need to avoid similar situations. In conclusion, Mr. Grove urged the committee not to pass SB 159 until ready, which it is not at this point.

[10:03:46 AM](#)

GEORGE WOODBURY, Alaska Forest Association, informed the committee that he has been in the timber industry in Southeast Alaska since 1965. He echoed earlier testimony regarding that management of the forest has evolved to very restricted uses and no longer contributes to the economy to the level it did in the past. He encouraged the committee to pass SB 159 as soon as possible because the timber industry is in the last throws of the timber supply for the last medium-sized sawmill. He characterized classifying these lands as a state forest as a great move. Furthermore, the Division of Forestry has proven that when it has lands it can manage they produce a reliable, economic timber supply to keep mills open. Mr. Woodbury related his support for SB 159 and reiterated the need to move it from committee in order to realize some timber and keep the mills operating.

[10:06:07 AM](#)

MARK STAHL, Owner/Operator, Denali Log & Lumber, related his support of SB 159 and urged the committee to take action on it quickly. He reviewed the last four years of his business during which there hasn't been a borough or state timber sale within his working circle. Therefore, he has had to rely solely on private timber jobs, which makes it difficult to plan for the future because those supplies go up and down. Having a state forest designation would help his business as well as others. Just knowing he has a few years of timber contracts in the future would allow his business to expand three-fold. Mr. Stahl emphasized the importance and surety of a well-managed, sustainable resource base. He then urged [the legislature] to provide full funding to the Division of Forestry and to establish a field office in the Upper Susitna Valley area where the vast majority of the resource is located.

10:09:22 AM

ERIN MCLARNON began by telling the committee that she is a 16-year Matanuska-Susitna Valley resident who lives in Willow and who is a dog musher, snowmachiner, hiker, founder of the Willow Dog Musher's Association, and recreational representative on the Board of Forestry. Ms. McLarnon related support for SB 159 because the legislation provides for economic gain, a diverse and healthy habitat for wildlife, and protected and increased recreational opportunities. She reminded the committee that the demand for state timber sales is steadily growing and personal use sales for fuel use have also increased. Local mills that employ or could employ family, friends, and neighbors depend heavily on state timber for their raw material supplies. The creation of the proposed Susitna State Forest would help guarantee those needs. Furthermore, an actively managed state forest such as that proposed would promote a variety of forest ages to provide for diverse and healthy habitat for wildlife. Simultaneously, active management would help reduce wild land fire risk. Moreover, state forests protect the recreational uses on these lands and can even create more recreational activities by turning the logging roads and other areas into recreational corridors. The Mat-Su Valley is a recreational haven for its residents as well as those who visit from outside of the area and the state. Guaranteed places to recreate, she opined, can be turned into dollars for the Mat-Su Valley. With regard to the charge that there hasn't be an adequate public process in the Mat-Su Valley regarding the creation of the Susitna State Forest, Ms. McLarnon disagreed. This public process, she said, began in 1985 with mention in the 1985 Susitna area plan and addressed again the revised plans in 2008

and 2011. In fact, the 2008 adopted Southeast Susitna Area Plan, which included the Susitna State Forest, had two rounds of public meetings. Again, during the 2009 revision of the Susitna Forestry guidelines there were numerous public meetings. Town hall meetings have been conducted by Senator Menard, the most recent of which was February 2012, during which the Division of Forestry discussed this issue. Therefore, she opined that there has been adequate public process and she encouraged the passage of SB 159 from committee.

[10:12:18 AM](#)

LELANI KNIGHT-MCQUEEN, Tlingit-Haida Central Tribal Council, informed the committee that Tlingit-Haida Central Council, which represents 20,000 tribal members that are indigenous to the Tongass National Forest, opposes SB 159. Throughout the hearings and floor sessions [on SB 159] the following terms/phrases have been used: "management plan", "traditionally", "doing it the right way", and "development", all of which have meanings to the indigenous people of the area. However, the hearings and the language of the legislation don't reflect the aforementioned terms. Ms. Knight-McQueen expressed hope that SB 159 goes away until there is discussion with the tribes and there is consideration of a government-to-government relationship similar to that of government and federal agencies. With the federal government assisting with the management of the land, tribes have the ability to continue to protect the land or provide input to practices that will protect it and the people who depend upon it. She reiterated earlier points that SB 159 was brought forward quickly, which she opined isn't the appropriate way. Ms. Knight-McQueen reiterated the Council's opposition to SB 159 and requested that the Senate require the governor to mandate the commissioners to establish a mechanism for developing a government-to-government relationship process and direct the commissioners to ensure tribal input on any policy that impacts the air, land, and sea. She then highlighted the policies being created for the anti-degradation group as a current example of neglecting to involve tribes. The anti-degradation group is currently developing language and policy regarding water quality; however, the workgroup only includes the attorney of one Native organization. Consultation with one Native Corporation shouldn't be considered meaningful input to any policy workgroup.

[10:15:50 AM](#)

DANE CROWLEY, Forester/Executive, Superior Pellet Fuels, informed the committee that Superior Pellet Fuels manufactures wood pellets in the Fairbanks area. He noted that he is a former resource manager and forester for NPI, which was involved in timber operations in the Mat-Su Valley for a number of years. Mr. Crowley said he is generally in support of SB 159. As someone who has been involved in timber and forestry in the Mat-Su Valley for the last 20 years and who wrote his thesis on logging as a management tool in the Mat-Su Forest, he has spent a significant amount of time focusing on the opportunities and aspects of the Susitna area. He then thanked the sponsor for introduction of the legislation as it has been many years in the making. However, the current Susitna Forest guidelines have gone far in prohibiting any opportunity on state lands. Those guidelines were supposed to expire in 2001 as they were replaced by the Forest Practices Act, but the continued adherence to the Susitna Forest guidelines is problematic. Furthermore, the state lands aren't designated for any particular activity and thus the Division of Forestry has no management authority for those lands and the land sits idle. Mr. Crowley then turned to the opportunities lost in the Mat-Su Valley in comparison with the Tanana Valley State Forest model. In 2005 NPI operated in export wood chips and it directly employed 125 individuals. Through work with the State of Alaska's economist, it was determined that the aforementioned was a \$3.5 million economic impact directly to the local area. The aforementioned, which is an example with one company, is what was lost by not having [similar] forestry opportunities in the Mat-Su Valley. The Tanana Valley State Forest is a fantastic opportunity that provides a guaranteed annual allowable cut and hundreds of miles of road access. He opined that the Tanana Valley State Forest also provides a good model for multiple user groups and their input via a citizen's advisory committee. However, he cautioned the committee with regard to the lack of designated access because ultimately it will exclude and disenfranchise some and fail. Mr. Crowley urged the committee to forward the legislation and include amendments guaranteeing access. He also noted his agreement with regard to the continuity of [the forest land] comments. Still, he opined that the [Susitna] state forest needs to happen and soon if there is going to be any type of habitat renewal, fire suppression, and other opportunities that arise from a managed state forest.

[10:21:18 AM](#)

VICE CHAIR FOSTER questioned whether intent language to address the government-to-government relation concerns could be added in

the next committee of referral. He then invited comments from the sponsor.

[10:22:02 AM](#)

SENATOR MENARD opined that SB 159 is good legislation. She then requested that Mr. Maisch address the access concerns. Senator Menard mentioned that her husband tried to push this proposal forward in the early 1990s and she only wants something available for all Alaskans in perpetuity.

[10:23:12 AM](#)

MR. MAISCH, regarding access, explained that if SB 159 passes the Division of Forestry has to do a forestry management plan within three years. That plan would detail many of the things discussed today, including access and development, and would replace the Susitna forest guidelines. Therefore, even with the passage of SB 159 there would still be quite a bit of a process. Mr. Maisch assured everyone that the issues that have been raised will be addressed.

[10:24:03 AM](#)

REPRESENTATIVE MUNOZ asked if the Southern Southeast State Forest legislation that passed last year included intent language regarding access. She also asked whether it would be acceptable to include intent language with SB 159.

MR. MAISCH answered that the Southern Southeast State Forest legislation didn't include specific language that addressed access as that was left to the actual management plan that is currently being written for that state forest. He noted that there is a management plan in place for the Haines and the Tanana Valley State forests which include sections devoted to the topic of access.

[10:24:42 AM](#)

CHAIR MUNOZ inquired as to why certain areas weren't included in the proposal.

MR. MAISCH responded that certain areas weren't included because of the planning process and because these areas were determined to be more appropriate for other uses. The better forest lands were identified and those are the lands that are proposed for this state forest.

10:25:38 AM

CHAIR MUNOZ announced that she is uncomfortable moving the legislation today, but deferred to the vice chair.

REPRESENTATIVE AUSTERMAN stated his agreement, adding that he would like to have something from the department regarding what the management plan would be in terms of access. In response to Chair Munoz, Representative Austerman said that he would like to see what the department would propose for the management plan rather than intent language on the access issue.

CHAIR MUNOZ asked if the aforementioned information could be provided to the committee and the legislation brought back before the committee on Thursday.

VICE CHAIR FOSTER agreed to do so.

[SB 159 was held over.]

10:27:15 AM

ADJOURNMENT

There being no further business before the committee, the House Community and Regional Affairs Standing Committee meeting was adjourned at 10:27 a.m.