

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

February 19, 2011
10:09 a.m.

MEMBERS PRESENT

Senator Joe Paskvan, Co-Chair - via teleconference
Senator Thomas Wagoner, Co-Chair
Senator Lesil McGuire - via teleconference

MEMBERS ABSENT

Senator Bill Wielechowski, Vice Chair
Senator Bert Stedman
Senator Hollis French
Senator Gary Stevens

OTHER LEGISLATORS PRESENT

Senator Cathy Giessel
Senator Dennis Egan

COMMITTEE CALENDAR

SENATE BILL NO. 24

"An Act establishing the Sport Fishing Guide Services Board and licensing requirements for sport fishing guide-outfitters, sport fishing outfitters, sport fishing assistant guides, and sport fishing transporters; making conforming amendments; allowing the Department of Fish and Game to collect information on guiding services; and providing for an effective date."

- HEARD AND HELD

SENATE BILL NO. 44

"An Act relating to the Southeast State Forest; and providing for an effective date."

- HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 24

SHORT TITLE: SPORT FISHING GUIDING SERVICES

SPONSOR(S): SENATOR(S) MCGUIRE

01/19/11 (S) PREFILE RELEASED 1/7/11
01/19/11 (S) READ THE FIRST TIME - REFERRALS
01/19/11 (S) RES, FIN
02/07/11 (S) RES AT 3:30 PM BUTROVICH 205
02/07/11 (S) Heard & Held
02/07/11 (S) MINUTE(RES)
02/19/11 (S) RES AT 10:00 AM BUTROVICH 205

BILL: SB 44

SHORT TITLE: SOUTHEAST STATE FOREST

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/19/11 (S) READ THE FIRST TIME - REFERRALS
01/19/11 (S) RES, FIN
02/07/11 (S) RES AT 3:30 PM BUTROVICH 205
02/07/11 (S) Heard & Held
02/07/11 (S) MINUTE(RES)
02/19/11 (S) RES AT 10:00 AM BUTROVICH 205

WITNESS REGISTER

SONNY PETERSEN, Member
Katmai Service Providers
Kodiak, AK

POSITION STATEMENT: Testified in opposition of SB 24 in its current form.

ANDREW COUCH, representing himself
Matanuska Susitna Valley, AK

POSITION STATEMENT: Opposed the establishment of a Sport Fishing Guide Services Board addressed in SB 24.

MELVIN GROVE, President
Prince William Sound Charter Boat Association
Prince William Sound, AK

POSITION STATEMENT: Testified in opposition of SB 24.

STEVE RUNYAN, representing himself
Wasilla, AK

POSITION STATEMENT: Expressed strong concern about SB 24.

MELISSA BORTON, Travel Administrator
Native Village of Afognak
Kodiak, AK,

POSITION STATEMENT: Testified in opposition of SB 24.

REUBEN HANKE, sport fishing and big game hunting guide

Kenai, AK

POSITION STATEMENT: Testified that it is important to take a step back and look into the issues addressed in SB 24 some more.

ANDREW CESSNE, upper Kenai River guide

Kenai, AK

POSITION STATEMENT: Testified in support of SB 24.

RICKY GEASE, Executive Director

Kenai River Sports Fishing Association (KRSA)

Soldotna, AK

POSITION STATEMENT: Testified in support of SB 24.

KEVIN DELANEY, Fisheries Consultant

Kenai River Sports Fishing Association (KRSA)

Soldotna, AK

POSITION STATEMENT: Commented on SB 24 and noted that further assessments of the sports fishing industry are needed.

DENISE MAY, owner and operator

Whale Pass Lodge

Port Lions, AK

POSITION STATEMENT: Expressed concerns about SB 24.

JACK CADIGAN, Owner and Captain

Adventures in Alaska

Juneau, AK

POSITION STATEMENT: Expressed strong concerns about SB 24 in its current form.

BOB MAY, Owner and Operator

Whale Pass Lodge

Port Lions, AK

POSITION STATEMENT: Expressed concern about SB 24.

NANCI MORRIS-LYON, Managing Partner

Alaska Sportsmen Bear Trail Lodge

King Salmon, AK

POSITION STATEMENT: Testified in support of SB 24.

ALAN LEMASTER, representing himself

Gakona, AK

POSITION STATEMENT: Expressed concerns about SB 24.

MIKE SCOTT, representing himself

Cordova, AK

POSITION STATEMENT: Testified in opposition of SB 24.

SCOTT EGGEMEYER, Owner,
Alaska Bear Paw Drifters
Soldotna, AK

POSITION STATEMENT: Testified in support of SB 24.

DENNIS RANDA, Owner
Randa's Guide Service
Kasilof, AK

POSITION STATEMENT: Expressed concern about SB 24.

DAVID GOGGIA, President
Kenai River Guide Association
Soldotna, AK

POSITION STATEMENT: Testified in support of SB 24.

JERRY STRIEBY, Vice President
Kenai River Professional Guide Association
Soldotna, AK

POSITION STATEMENT: Testified in support of SB 24.

CHACO PEARMAN, Owner
Pristine Charters
Kodiak, AK

POSITION STATEMENT: Testified in support of the concept of the Sport Fishing Guide Services Board in SB 24.

REED MORISKY, representing himself
Fairbanks, AK

POSITION STATEMENT: Testified in support of SB 24.

DENNIS PETRE, charter operator
Fairbanks, AK

POSITION STATEMENT: Testified in opposition of SB 24.

MIKE MCCRURY, representing himself
Anchorage, AK

POSITION STATEMENT: Commented on SB 24.

WADE WILLIS, former owner of a fish guiding business
Anchorage, AK

POSITION STATEMENT: Stated concern on the Sport Fishing Guide Services board addressed in SB 24.

CHRIS BRANHAM, representing himself
Anchorage, AK

POSITION STATEMENT: Testified in opposition of SB 24.

CHRIS ZWOLINSKI, hunting guide
Fairbanks, AK

POSITION STATEMENT: Testified in support of SB 24.

STAN MALCOM, President
Petersburg Charter Boat Association
Petersburg, AK

POSITION STATEMENT: Testified in support of SB 24.

JOEL HANSON, Captain
The Boat Company
Sitka, AK

POSITION STATEMENT: Expressed concern that some types of businesses are not being fairly represented within SB 24.

WADE ZAMMIT, President and CEO
Sealaska Timber Corporation
Ketchikan, AK

POSITION STATEMENT: Testified in support of SB 44 on behalf of Ron Wolfe.

JEREMY MAXAND, representing himself
Wrangell, AK

POSITION STATEMENT: Commented on SB 44.

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

POSITION STATEMENT: Testified in support of SB 44.

OWEN GRAHAM, Secretary
Alaska Forest Association
Ketchikan, AK

POSITION STATEMENT: Testified in support of SB 44.

ELAINE PRICE, Project Manager
City Council
Coffman Cove, AK

POSITION STATEMENT: Testified in support of SB 44.

MIKE SALLEE, owner and operator of a small saw mill
Ketchikan, AK

POSITION STATEMENT: Testified in opposition of SB 44.

PAUL MCINTOSH, representing himself
Anchorage, AK

POSITION STATEMENT: Testified in support of SB 44.

ERIC LEE, representing himself
Petersburg, AK

POSITION STATEMENT: Expressed strong concern about SB 44.

JOSEPH SEBASTIAN, commercial fisherman
Petersburg, AK

POSITION STATEMENT: Expressed strong concern about SB 44.

SHELLY WRIGHT, Executive Director
Southeast Conference
Juneau, AK

POSITION STATEMENT: Testified in support of SB 44.

LINDSAY KETCHAL, Executive Director
Southeast Alaska Conservation Council (SEACC)
Juneau, AK

POSITION STATEMENT: Expressed concern about SB 44.

FRED MORINO, representing himself
Juneau, AK

POSITION STATEMENT: Testified in support of SB 44.

ACTION NARRATIVE

[10:09:20 AM](#)

CO-CHAIR THOMAS WAGONER called the Senate Resources Standing Committee meeting to order at 10:09 a.m. Present at the call to order was Co-Chair Wagoner.

[10:10:13 AM](#)

At ease from 10:10 a.m. to 10:23 a.m.

[10:23:29 AM](#)

CO-CHAIR WAGONER called the meeting back to order.

[10:24:16 AM](#)

At ease from 10:24 a.m. to 10:30 a.m.

[10:30:48 AM](#)

CO-CHAIR WAGONER called the meeting back to order.

SB 24-SPORT FISHING GUIDING SERVICES

CO-CHAIR WAGONER announced the consideration of SB 24.

[10:32:10 AM](#)

SENATOR MCGUIRE, sponsor of SB 24, said this bill was introduced with an eye towards the resources of the state. Fisheries is one of the most important resources in Alaska and is divided between commercial and sport fisheries. She noted that sports fisheries are complex because they are accessed by Alaskans independently, through guides, and through tourism. As tourism in Alaska has grown there has been a groundswell of fishing guide use. This has led to increased river pressure, particularly in the Kenai-Soldotna area and in Southeast. SB 24 has been brought forward as a way of extending the guide license program currently in place. She explained that the bill was originally meant to be an extension of the bill passed last year [SB 294, passed during the 26th Alaska State Legislature]. SB 294 had a one-year sunset, which means that without a bill, there will no longer be a sport fish guide licensing program in Alaska. She explained that this would have a negative effect on the state for two main reasons. First, is the management of the resources. She said that the logbook program that has been put into place gives the Alaska Department of Fish and Game (ADF&G) the necessary data to track and manage the fisheries stocks. Second, it is a matter of safety. She explained that it is important that guides are trained to safely care for their guests.

SB 24 originally incorporated a lot of task force recommendations, primarily from 2006, which was met with a lot of negativity from Alaskans. She noted that a majority of those recommendations were withdrawn and a stripped-down version of the bill was reintroduced on the Senate floor that strictly addresses the sunset. She requested that SB 24 go into a task force over the interim in order to work with the public and figure out what to do with these controversial recommendations.

She asked testifiers to take her statement into consideration when making their testimony.

[10:40:10 AM](#)

CO-CHAIR WAGONER opened public testimony.

[10:40:58 AM](#)

SONNY PETERSEN, Member, Katmai Service Providers, testified in opposition of SB 24 in its current form. He asked the committee when he could expect to see a new bill and when the task force would meet. He explained that SB 24, in its current form, is entirely unworkable for sport fishing operations and would not allow any of the outfits to operate. The lodges in western

Alaska have a good reputation and there is no need to have these types of licensing requirements. He suggested that if these requirements are necessary in other parts of the state as Senator McGuire indicated, then these individuals should come up with something for their specific area.

CO-CHAIR WAGONER noted that he is looking at the month of October, when guides are not as busy, for the task force meetings and hearings. He said that the composition of the task force has not been formulated yet.

[10:45:53 AM](#)

ANDREW COUCH, representing himself, opposed the establishment of a Sport Fishing Guide Services Board. He explained that the current guide licensing program makes it difficult to hire guides who meet the requirements and limit the number of local Alaskans that he can hire. He explained that the changes in the program have only produced more required paperwork and cost him more money. In regards to safety, these requirements are already required for Coast Guard licensing. He stressed that SB 24 would add cost to the industry and the state. He noted that individuals who can't afford the higher charter costs may not participate and will reduce the charter business. He asked whether there has been any support from individuals in the industry.

[10:50:14 AM](#)

MELVIN GROVE, President, Prince William Sound Charter Boat Association, strongly opposed SB 24. He said that the association's primary concern is that a real problem has not been identified. For example, it has been claimed that there is a "groundswell of guides" in the sports fishing industry. However, the current data from ADF&G shows that the number of guides has been steadily dropping over the last few years. He stressed that some benefits need to be included within the bill for the industry, such as increased fishing allocations and state sponsored marketing incentives.

[10:54:52 AM](#)

STEVE RUNYAN, representing himself, expressed strong concern about SB 24. He said state governments everywhere are scrambling for ways to trim costs and keep within the budget and this bill creates another level of bureaucracy. The costs of SB 24 are numerous and the benefits, financially, are low. He stressed that the problem statement and the benefit statement to this bill are highly overblown. He explained that having government oversight beyond what is already contained in the sports guide

licensing book is not necessary or cost effective. He suggested that the issue of the sunset for sport fishing licenses could easily be addressed by holding an up-down vote in the Senate on the current guidebook system. The Senate's energy would be better used by looking at the statewide Chinook salmon shortage, particularly in the Matanuska-Susitna Valley.

10:58:40 AM

MELISSA BORTON, Travel Administrator, Native Village of Afognak, testified in opposition of SB 24. She said that she had the opportunity to sit in on the task force meetings that took place in preparation for this bill. She said that during these meetings she felt that the rural communities were not being represented. Further, the discussions were centered on the conflicts occurring in the Kenai area and were not necessarily applicable to Kodiak. She recognized how quickly the sports fishing industry has grown and that there is abuse that takes place throughout the industry. However, enacting legislation such as SB 24, which affects the regions differently, should require a more extensive public process. She said that this was missing in the process leading up to this bill. She noted that the one community meeting held in Kodiak had overwhelming opposition to SB 24.

11:00:31 AM

REUBEN HANKE, sport fishing and big game hunting guide, agreed with Senator McGuire that it is a good idea to take a step back and look into the issues addressed in SB 24 some more. He noted that he was a member of the original task force. He said that this bill identifies the people who provide sport fishing activities, which the current licensing system does not do. There are many individuals in the state that provide services to the sport fishing industry and this bill would help in understanding the size and scope of the sport fishing industry.

11:02:42 AM

ANDREW CESSNE, upper Kenai River guide, testified in support of SB 24. He explained that, for him, making a living on this resource is a privilege, not a right.

11:03:34 AM

RICKY GEASE, Executive Director, Kenai River Sports Fishing Association (KRSA), testified in support of SB 24. He said that KRSA agrees with the problem statement regarding the sports fishing industry. He explained that there is no common voice for the industry in the Alaskan governmental process, nor are there ethical standards for conduct of business, safety, or service.

He noted that many people do meet the requirements, but not everybody does and this tarnishes the state's sport fishing reputation. He added that KRSA also supports SB 24 going into a subcommittee process and extending the logbook sunset during this time.

[11:05:38 AM](#)

KEVIN DELANEY, Fisheries Consultant, Kenai River Sports Fishing Association (KRSA), commented on SB 24 and noted that further assessment of the sports fishing industry is needed. He said that the guide registry program was implemented during the time that he was the director of Sports Fishing at ADF&G. He explained that it was never ADF&G's intent that the guide registry program would be the end-all in this process. During this time the division recognized the tremendous economic value of the industry and wanted to assure that it would continue to compete on a world-wide basis. He explained that the registration process has evolved into the licensing program that is in place now and he has been supportive of this. However, the framework in place today doesn't adequately allow for assessment of who is involved in the field today, he said. He stressed the importance of continuing to pursue these principals.

[11:09:19 AM](#)

DENISE MAY, owner and operator, Whale Pass Lodge, expressed concerns about SB 24. She said her greatest concern is that rural communities and villages around the state need to be included by giving adequate notice on the issue and having the opportunity for input and comment. She noted her appreciation for Senator McGuire in taking a step back on the bill to allow individuals time to gather information and understand what the legislature is trying to accomplish.

[11:12:20 AM](#)

JACK CADIGAN, Owner and Captain, Adventures in Alaska, expressed strong concerns about SB 24 in its current form. He said he does not want a duplicate a set of regulations where licensing requirements already exist, along with the associated costs. Mr. Cadigan listed a number of the requirements already in place for sports fishing guides. He said that most charter operations far exceed the basic level of competency needed. He urged the committee to amend SB 24 so that it solely addresses the areas in the state where problems might exist.

[11:17:19 AM](#)

BOB MAY, Owner and Operator, Whale Pass Lodge, expressed concern about SB 24. He said that at the public meeting in Kodiak

regarding this bill, not one was in favor it. He noted that the bill states that an individual must be 18 years old before they "can take a fish off the hook." However, his kids learned long before this age to do more than that. He said that there is a lot that has been excluded from this bill. He acknowledged that there have been issues on the Kenai Peninsula; but these problems don't exist in Kodiak. He added that more representation is needed in Alaska's villages. He asked when a new bill will be brought forward in replace of SB 24 and how the public notice will be administered to businesses.

CO-CHAIR WAGONER said that when hearings on SB 24 begin again during the interim, he will be informed.

[11:21:14 AM](#)

NANCI MORRIS-LYON, Managing Partner, Alaska Sportsmen Bear Trail Lodge, testified in support of SB 24. She said she was a member of the original task force involved in this bill. She explained that the sport fishing industry has grown beyond belief and future growth needs to be controlled in order to protect and preserve the state's fisheries and maintain an industry that is competitive and healthy. She acknowledged the unique challenges found in various areas of the state and it is important not to impose unnecessary restrictions in areas where they are not needed. A bill in this form would give credibility to the sports fishing industry and would stabilize the industry for the future. She said that this bill will assist ADF&G through the documentation of the commercial aspects of the industry and its effects on fisheries throughout the state.

[11:25:13 AM](#)

ALAN LEMASTER, representing himself, expressed concerns about SB 24. He noted that he was not aware of the task force while it was going forward. He explained that he can see a great advantage in having a [Sport Fishing Guide Services] board because it will give them solidarity between the industry and the Board of Fisheries meetings. He noted that in the Copper River Valley the growth patterns in the industry have decreased, not increased. He said that his concerns with the current bill include the following: the assistant guide age limit of 18; confusion between what a guide, guide outfitter, and transporter is; and the organization of ADF&G in regards to the log books. He said "I don't think the guide system is broken in the state and I don't think we [should] fix it until it is."

[11:29:24 AM](#)

MIKE SCOTT, representing himself, testified in opposition of SB 24. He said that the entire state does not have to be wrapped up in this licensing issue and there are already numerous hoops to jump through. He said that if this bill goes through the sports fishing industry will have a limited entry similar to halibut and commercial fishing.

[11:30:57 AM](#)

SCOTT EGGEMEYER, Owner, Alaska Bear Paw Drifters, testified in support of SB 24. He said he guides in Prince William Sound, the Kenai and Kasilof Rivers, Steep Creek, and Anchor Point.

[11:31:27 AM](#)

DENNIS RANDA, Owner, Randa's Guide Service, expressed concern about SB 24. He said that orderly development is important and legislation that disrupts this is unwise. He added that he is also concerned with the age restriction on assistant guides. He noted that legislation is needed due to the growth of the sports fishing industry.

[11:33:43 AM](#)

DAVID GOGGIA, President, Kenai River Guide Association, testified in support of SB 24. He noted that the association was present throughout the task force's and ADF&G's meetings. He acknowledged that there are some things that need to be worked out in regards to the bill and a special task force will be positive. He said that the bill will increase the accountability for all people in the sports fishing industry.

[11:35:16 AM](#)

JERRY STRIEBY, Vice President, Kenai River Professional Guide Association, testified in support of SB 24. He stressed the importance of having representation and a voice for the sports fishing industry, such as a guide board. Currently, the voice of the industry is through individuals and this does not go very far.

[11:37:06 AM](#)

CHACO PEARMAN, Owner, Pristine Charters, testified in support of the concept of the Sport Fishing Guide Services Board in SB 24. He noted that with the federal program restrictions and the halibut charter people are going to change their business models. For instance, clients that stay at bed and breakfasts are going to be able go out fishing and the fish caught will not be reported. He said that there have been issues in Kodiak in the past with businesses that are not accounted for and are unenforceable. His concern is for the resource. He noted that it

is important that this bill capture everyone involved in the industry so that the resource can be managed properly.

[11:40:19 AM](#)

REED MORISKY, representing himself, testified in support of SB 24. He said he was a member of the original task force, which codified a sport fishing board. The board would categorize and professionalize sport fishing guides, outfitters, and transporters. He agreed that there were several groups who should have been included earlier; however, this could be taken up with the resource committee task force during the interim. He acknowledged that the bill is long and there are some misunderstandings that can be overcome with more information. SB 24 will ensure the continued viability of the sport fishing industry and provide a mechanism for sustainable growth.

[11:42:54 AM](#)

DENNIS PETRE, charter operator, testified in opposition of SB 24. He suggested going to the NOAA [National Oceanic and Atmospheric Administration] website that lists operators that received limited entry permits and contact these individuals to get more input.

[11:43:54 AM](#)

MIKE MCCRURY, representing himself, commented on SB 24. He said the source of debate comes from ADF&G's policy in selling an unlimited amount of fishing licenses to non-residents. He noted that the value of non-commercial users goes well beyond the economic interests of guides. Preserving Alaskan's opportunities will only be achieved when ADF&G limits, where necessary, the sale of fishing licenses to non-residents.

[11:45:47 AM](#)

WADE WILLIS, former owner of a fish guiding business, stated concern for the Sport Fishing Guide Services Board addressed in SB 24. He said that that the board is nothing more than a carbon copy of the mistakes that have been made with the Big Game Commercial Services Board. Self-serving boards do not accomplish anything, but rather decrease the stability of the industry, he said. Important industries throughout Alaska rely on occupational licensing to provide stability and career opportunities and it does not have to be a burden. Alaska has a responsibility to ensure that tourism, as the state's most important renewable resource, is the best it can be. He stressed the importance of looking beyond two years, in order to make sure that for the next 50 years Alaska has a guiding industry

that respects the resource, the industry, and provides stability.

CO-CHAIR WAGONER said that he respects Mr. Willis' perspective.

[11:49:08 AM](#)

CHRIS BRANHAM, representing himself, testified in opposition of SB 24. He said he has been addressing these issues for the past 30 years and this bill is meritless and doesn't benefit anyone. He explained that the issue can be resolved by putting restrictions and limitations on the people who use the resource. The sports fishing industry has never been given legitimate responsibility by the state of Alaska and he stressed the importance of the industry. However, the state does nothing to support it. He said that this is the responsibility of ADF&G. The constitution gives first priority to subsistence use, the second use is commercial, and the third use is recreational. He stressed the need to enhance the sports fishing industry.

[11:52:29 AM](#)

CHRIS ZWOLINSKI, hunting guide, testified in support of SB 24. He said that it is important to regulate the resource now in order to prevent damage in the future. He suggested that more public forums are needed.

[11:54:20 AM](#)

STAN MALCOM, Petersburg Charter Boat Association, testified in support of SB 24. He noted that he was a member of the original task force which generated the information leading up to SB 24. He explained that the association has always supported the guide license requirements and the log book program. A professional service board is in the best long term interest of the industry, the state, and all fisheries resource users. The bill, in encompassing the non-guided sector, which is continuing to grow in Southeast Alaska and is a huge resource user, would be a huge step forward. The Sport Fishing Guide Services Board would promote some self-regulation from within the industry.

[11:57:08 AM](#)

CO-CHAIR WAGONER announced the conclusion of teleconference testimony.

[11:57:26 AM](#)

JOEL HANSON, Captain, The Boat Company, expressed concern that some types of businesses are not being fairly represented within SB 24. He said the company has been operating in Southeast Alaska for 30 years. While they do not focus specifically on

sport fishing it is a critical component of their business. He said that the sport fishing industry has a wide variety of models both on salt and fresh water and the bill needs to be expanded to include a larger group of concerned individuals.

[12:01:00 PM](#)

CO-CHAIR WAGONER closed public testimony on SB 24. [The bill was held in committee.]

[12:01:14 PM](#)

At ease from 12:01 p.m. to 12:06 p.m.

[12:06:55 PM](#)

CO-CHAIR WAGONER called the meeting back to order at 12:06 p.m.

SB 44-SOUTHEAST STATE FOREST

CO-CHAIR WAGONER announced the consideration of SB 44.

[12:07:14 PM](#)

WADE ZAMMIT, President and CEO, Sealaska Timber Corporation, testified in support of SB 44 on behalf of Ron Wolfe. He said that there is an expected decline in the population of Southeast Alaska and this is mirrored in the health of the timber industry. He explained that Sealaska believes that the timber industry is essential to the economy of Southeast Alaska. Currently, a vast majority of the Southeast region is owned by the federal government; with 87 percent of the area set aside as parks, wildernesses, national monuments and other classifications that preclude development. Development that occurs on the remaining land must achieve resource protection through various federal regulatory compliances. SB 44 will help stabilize the timber from state lands and allow state forests to be managed in a sustainable fashion. These lands will be managed in accordance with the Alaska Forest Resources and Practices Act, which has demonstrated to be working well to protect water quality, anadromous fish habitats, and wildlife. He noted that his testimony has also been submitted to the committee for full disclosure.

[12:10:03 PM](#)

JEREMY MAXAND, representing himself, commented on SB 44. He expressed concern that the vast majority of timber harvested from the Wrangell Island would be round log exported to the lower 48 or another country for value-added processing. He said that he wants to see the trees in the state forest directly benefit the communities they were taken from and are impacting.

Currently, by using the forest within a multi-use category the community benefits from forest recreation and habitat. However, if these forests transfer to state forests and are immediately shipped out of the state there will be no incentive for Wrangell to revitalize their timber economy for long term usage. He said that he hopes SB 44, as it moves forward, will contain some very strong language which would create incentives to keep the logs in Alaska to be processed and used locally.

CO-CHAIR WAGONER asked if there is any effort in the community to start a business which could use the timber instead of exporting it.

MR. MAXAND replied that there is a ten-year proposed Tongass sale that the community of Wrangell is looking into. He said that they are concerned these trees will be cut down too fast. Wrangell has a unique opportunity because there is mill site in existence and, with the logs on the island, could be sustained for a long time. However, if the incentive is to have a large company come in, cut the trees down, and ship the logs out, then that is what will happen. He asked what the state is doing to help communities have a sustainable timber operation. He noted that the community would love to help and support legislation focused on that issue.

12:14:46 PM

CARL PORTMAN, Deputy Director, Resource Development Council (RDC), testified in support of SB 44. He explained that expanding the forest would help sustain the forest products industry, save jobs, and help the economy. The state land identified for inclusion into the new state forest has been consistently managed for timber harvesting. Designation of these forests would ensure that they would remain in state ownership and support the forest products industry long-term in Southeast Alaska. He noted that a majority of timber in Southeast Alaska is on federal land; however federal timber sales have sharply declined. Much of the new state forest contains young second-growth stands and there is broad support for shifting timber harvesting in Southeast Alaska from old growth to second growth. The new state forest and proposed additional partials will help provide a sustainable timber supply to local mills and accelerate the transition to second-growth timber. He noted that 95 percent of the Tongass National Forest is closed to logging. The Tongass itself comprises about 94 percent of the land base in Southeast Alaska. He explained that as a result land management in Southeast Alaska is weighted towards conservation and non-development uses. Under the current Tongass Land

Management plan the annual harvest ceiling has been reduced from 527 million board feet to 267 million. He noted that only 30 million board feet of timber has been harvested annually in recent years, which is less than 15 percent of the allowable cut.

He explained that in regards to state land the Department of Natural Resources (DNR) manages over 159,000 acres of uplands in southern Southeast Alaska. Of this land, approximately one-third would be in the state forest if SB 44 is enacted. He noted that the remaining land is designated to other uses such as recreation, water sources, and land sales.

12:19:06 PM

OWEN GRAHAM, Secretary, Alaska Forest Association, testified in support of SB 44. He said that thus far Ketchikan has lost 85 percent of their employment in the timber industry, due to a lack of timber supply. This piece of legislation will help with this and they encourage any additions to the timber sales program in the future. He noted that the association encourages local manufacture and the best way to do so is by having enough timber supply to sustain the mills. Most of the wood that the state has sold in the last five years has been domestically processed. However, he explained that the state needs to hang on to log exports as a tool to manage their programs if the local or domestic market is not doing well.

12:21:49 PM

ELAINE PRICE, Project Manager, City Council, testified in support of SB 44. She said that part of the state forest expansion would be in Coffman Cove and will provide a sustainable base for timber management. She agreed with Mr. Maxand that these forests should be locally beneficial by being manufactured locally. Because of the way the Tongass National Forest is currently being managed it is not dependable and every timber sale has a law suit filed against it. She noted that the Viking Mill currently employs 45 people directly in Klawock and is a huge economic benefit to Prince of Wales Island as a whole.

12:23:43 PM

MIKE SALLEE, Owner and operator of a small saw mill, testified in opposition of SB 44. He said one of the parcels proposed in this bill is North Gravina which lies adjacent to his family's homestead. He explained that the logging of Mental Health Trust Land on other parts of Gravina has trashed numerous areas and severely limits passage through them. He said that converting parcels to state forest in order to realize the return on future

investments in thinning is not justified. The amount of previously logged lands in the North Gravina parcel consists of a very few steeply sloped areas in one small corner of the parcel. He noted that another distressing aspect of SB 44 is the contingent practice of round-log export. He explained that as a mill operator he gets numerous requests for yellow cedar and he finds it egregious that Alaska "allows the continued bleeding away of wood-processing jobs with round log exports." He said that SB 44, in its current form, primarily benefits a few large scale timber operators.

12:27:01 PM

PAUL MCINTOSH, representing himself, testified in support of SB 44. He explained that he lived in Southeast Alaska from 1978 to 2001 and witnessed the closure of the pulp mills in Sitka and Ketchikan. The majority of the land in Southeast Alaska is federal land and one-third of the Tongass National Forest is congressionally designated wilderness. He stressed that there are no federal acres in Southeast Alaska that are permanently designated for sustainable, science-based, and long-term timber management. He questioned how a forest product business could even consider this timber supply reliable or economical for purposes of business planning. He urged the committee's support of SB 44.

12:30:01 PM

ERIC LEE, representing himself, expressed strong concern about SB 44. He said that the timber industry claims that round log export can create jobs and there is very little money to be made in the domestic market. However, round log export is only valuable in the short-term, it is not sustainable. He explained that when the trees are gone, the logging companies leave and the jobs are gone. He said that on the other hand local value-added processing creates jobs that are sustainable, stay in the community, add to the local economy, and concern the forest for subsistence uses. The notion that round log export is good for the local economies is a myth. SB 44 is about gaining access to timber that can be exported in the round because the laws on such exporting on federal lands are much more stringent than on state land.

12:33:40 PM

JOSEPH SEBASTIAN, commercial fisherman, expressed strong concern on SB 44. He said that the real problem is that there is no future in logging and exporting cathedral cedar trees. He explained that the majority of sales will be exported. These are trees that are 400 to 600 years old and are irreplaceable. He

noted that the wide distance between the proposed partials will make it expensive and difficult to administer. He said that "what were once federal deficit timber sales will now be state deficit timber sales."

[12:37:43 PM](#)

CO-CHAIR WAGONER closed on-line testimony.

[12:37:50 PM](#)

SHELLY WRIGHT, Executive Director, Southeast Conference, testified in support of SB 44. She said that the communities in Southeast Alaska are struggling to survive and part of the struggle is a lack of jobs. She explained that there used to be a timber industry in Southeast that supported communities and gave financial support for schools and infrastructure. She said that she has been told that the timber industry is "a thing of the past." However, an article in the Juneau Empire just recently stated that the Alaska State Retirement Fund officials are looking to invest in the timber industry in the lower 48.

She explained that the state forest will be a small way to stabilize investments in the future for communities. The existence of a timber industry in Southeast Alaska depends on immediate action in order to provide a supply of economically viable sales. She stressed that there are 17 million acres in the Tongass National Forest and SB 44 will secure 48,472 acres for timber harvest management by the Division of Forestry. This is a small amount of land in the big picture, but it could go a long way in maintaining the stability of Southeast Alaska's people. She urged the committee to support the expansion of the Alaska State Forest through SB 44 and stressed the importance of opening the Tongass National Forest up to responsible resource development.

[12:41:55 PM](#)

LINDSAY KETCHAL, Executive Director, Southeast Alaska Conservation Council (SEACC), expressed concern about SB 44. She said she serves on the Tongass Futures Round Table and described discussions they had about how to maintain a viable timber industry. She recognized that part of SB 44 is an attempt to help sustain some of this existing industry, such as "ma and pa businesses," Icy Straits, and Viking Mill. However, the locations of some of the proposed parcels do not make sense in regards to the location of these mills. The question that needs to be addressed is: "how are we going to develop and sustain a sustainable wood product industry in Southeast?" She said that, ultimately, in order to tackle this issue it should be done

comprehensively and not in small pieces. The way that these parcels are aligned the timber will most likely be exported and will not go to small mills. She explained that there's a lot of opportunity to create work in Southeast forests. She noted that the Forest Service did announce that they are transitioning out of old growth forests. She explained that the reason behind this is that old growth forests hold important ecological values. She said that she believes that a small old growth industry can be maintained as well as the existing mills. This piece of legislation will not solve this issue. She said "many of us would prefer to work comprehensively at this."

CO-CHAIR WAGONER asked why the transition to working comprehensively has not occurred yet. He said that this is a very small amount of timber and is a method to save jobs that currently exist in Alaska.

MS. CATCHALL replied that the distance of the parcel locations needs to be analyzed. She explained that SEACC was involved with the Kake community forest planning process in order to aid the community in deciding what it wanted its landscape to be and how to create jobs. She stressed that it is important to focus on a community-by-community level, empower their voices, and continue with the Round Table and other gatherings. She explained that the reduction in the timber industry has been so severe that the industry is in shock. It is difficult to then turn around and accept a smaller and more agile business method. She said that when she speaks with new entrepreneurs in the timber industry such as Larry Jackson in Ketchikan, she sees them wanting to be creative. She stressed that jobs in the woods are important for everyone.

[12:47:46 PM](#)

FRED MORINO, representing himself, testified in support of SB 44. He said he has been involved in financing in the timber industry since 1970. He explained that the United States Forest Service has 27 billion board feet of harvestable old growth timber. He noted that Alaska has not even harvested 100 million board feet of timber yet. He said that "the state of Alaska is the timber industry in Southeast Alaska now" and the state has the responsibility to develop this timber for employment in Southeast.

[12:50:44 PM](#)

CO-CHAIR WAGONER closed public testimony. [The bill was held in committee.]

There being no further business to come before the committee,
Co-Chair Wagoner adjourned the meeting at 12:50 p.m.