

**ALASKA STATE LEGISLATURE**  
**HOUSE RESOURCES STANDING COMMITTEE**

February 28, 2014

1:07 p.m.

**MEMBERS PRESENT**

Representative Eric Feige, Co-Chair  
Representative Peggy Wilson, Vice Chair  
Representative Mike Hawker  
Representative Craig Johnson  
Representative Paul Seaton  
Representative Geran Tarr

**MEMBERS ABSENT**

Representative Dan Saddler, Co-Chair  
Representative Kurt Olson  
Representative Scott Kawasaki

**COMMITTEE CALENDAR**

HOUSE BILL NO. 79

"An Act relating to the sale of timber on state land; establishing the Susitna State Forest; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 202

"An Act raising the application fee for a drawing permit for the hunting of bison to \$20; requiring the game management plan for bison in the Delta Junction Bison Range Area to include mitigation of bison damage to farm crops and farm and personal property; and authorizing the commissioner of natural resources to make grants to mitigate or prevent damage caused by bison."

- HEARD & HELD

HOUSE BILL NO. 207

"An Act establishing the Board of Agriculture, Conservation, and Development; transferring the powers and duties of the Natural Resource Conservation and Development Board to the Board of Agriculture, Conservation, and Development; transferring to the Department of Commerce, Community, and Economic Development the authority to approve loans from the agricultural revolving loan

fund; terminating the Natural Resource Conservation and Development Board; and providing for an effective date."

- SCHEDULED BUT NOT HEARD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 79

SHORT TITLE: SUSITNA STATE FOREST; SALE OF TIMBER

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

01/18/13	(H)	READ THE FIRST TIME - REFERRALS
01/18/13	(H)	RES
02/24/14	(H)	RES AT 1:00 PM BARNES 124
02/24/14	(H)	Heard & Held
02/24/14	(H)	MINUTE(RES)
02/28/14	(H)	RES AT 1:00 PM BARNES 124

BILL: HB 202

SHORT TITLE: BISON DRAWING PERMIT FEES

SPONSOR(S): FEIGE

04/10/13	(H)	READ THE FIRST TIME - REFERRALS
04/10/13	(H)	RES, FIN
02/21/14	(H)	RES AT 1:00 PM BARNES 124
02/21/14	(H)	Heard & Held
02/21/14	(H)	MINUTE(RES)
02/28/14	(H)	RES AT 1:00 PM BARNES 124

BILL: HB 207

SHORT TITLE: AGRICULTURE; AGRICULTURAL LOANS

SPONSOR(S): REPRESENTATIVE(S) FEIGE

04/12/13	(H)	READ THE FIRST TIME - REFERRALS
04/12/13	(H)	RES, FIN
02/05/14	(H)	RES AT 1:00 PM BARNES 124
02/05/14	(H)	Heard & Held
02/05/14	(H)	MINUTE(RES)
02/28/14	(H)	RES AT 1:00 PM BARNES 124
02/28/14	(H)	Scheduled But Not Heard
03/14/14	(H)	RES AT 1:00 PM BARNES 124
03/14/14	(H)	Heard & Held
03/14/14	(H)	MINUTE(RES)

**WITNESS REGISTER**

BRIAN KLEINHENZ

Alaska Society of American Foresters  
Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

WAYNE NICOLLS

Juneau, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

ROD ARNO, Executive Director

Alaska Outdoor Council (AOC)

Palmer, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 79.

DAVE POPPERT

Poppert Milling, Inc.

Wasilla, Alaska

**POSITION STATEMENT:** Testified regarding his concerns with some of the provisions in HB 79.

MARK STAHL, Owner, Operator

Denali Log and Lumber

Talkeetna, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

TERRENCE SHANIGAN

Alaska Moose Federation

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

CHARLES SINK, Chair

Alaska Society of American Foresters

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

CHAD SCHUMACHER, General Manager

Superior Pellet Fuels, LLC

North Pole, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

CHRIS GATES

Palmer, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

GLEN HOLT

Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

NICK STEEN

South Central Alaska Chapter, The Ruffed Grouse Society  
Wasilla, Alaska

**POSITION STATEMENT:** Offered conditional support for HB 79.

OWEN GRAHAM, Executive Director  
Alaska Forest Association (AFA)  
Ketchikan, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

LEWIS BRATCHER

The Great Alaska Bowl Company  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

CARL PORTMAN, Executive Director  
Resource Development Council for Alaska, Inc. (RDC)  
Anchorage, Alaska

**POSITION STATEMENT:** Mr. Portman's testimony in support of HB 79 was read by Mr. John Sturgeon.

JOHN STURGEON

Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

DEANTHA CROCKETT, Executive Director  
Alaska Miners Association (AMA)  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in support of HB 79.

JOHN "CHRIS" MAISCH, Director & State Forester  
Division of Forestry  
Department of Natural Resources  
Fairbanks, Alaska

**POSITION STATEMENT:** Answered questions regarding HB 79.

MICHAEL PASCHALL, Staff  
Representative Eric Feige  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** During the hearing on HB 202, explained on behalf of the sponsor, Representative Feige, the changes made by the proposed committee substitute, Version P,.

ROD ARNO, Executive Director

Alaska Outdoor Council (AOC)  
Palmer, Alaska

**POSITION STATEMENT:** Offered concern regarding HB 202.

DOUG VINCENT-LANG, Director  
Division of Wildlife Conservation  
Alaska Department of Fish & Game (ADF&G)  
Anchorage, Alaska

**POSITION STATEMENT:** Answered questions regarding HB 202,  
Version P.

WAYNE BROST  
Palmer, Alaska

**POSITION STATEMENT:** Testified regarding HB 202.

AL BARRETTE  
Fairbanks, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 202.

JEFF LIPSCOMB  
Delta Junction, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 202.

DAVID DAVENPORT  
Delta Junction, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 202.

#### **ACTION NARRATIVE**

[1:07:08 PM](#)

**CO-CHAIR ERIC FEIGE** called the House Resources Standing Committee meeting to order at 1:07 p.m. Representatives Seaton, Johnson, Olson, P. Wilson, and Feige were present at the call to order. Representatives Tarr and Hawker arrived as the meeting was in progress.

#### **HB 79-SUSITNA STATE FOREST; SALE OF TIMBER**

[1:07:43 PM](#)

**CO-CHAIR FEIGE** announced that the first order of business is HOUSE BILL NO. 79, "An Act relating to the sale of timber on state land; establishing the Susitna State Forest; and providing for an effective date."

[1:08:00 PM](#)

CO-CHAIR FEIGE opened public testimony on HB 79.

[1:08:33 PM](#)

BRIAN KLEINHENZ, Alaska Society of American Foresters, testified his organization supports creation of the Susitna State Forest, as well as supports the good work done by the Department of Natural Resources (DNR) and the Division of Forestry in managing the state's forest resources. His organization supports the legislative designation of state forests for the amount of investment in opportunities created through that investment in the long term. Designation allows a sustainable land base to be put together and allows DNR to invest money into silviculture, tree tending, and installation of roads and bridges. The public access created in the long run, and the resources made available through the creation of such state forests, help to promote regional economy, timber operations, local manufacturing opportunities, and provide access for recreational and subsistence activities.

[1:10:33 PM](#)

WAYNE NICOLLS noted he is a member of the Alaska Society of American Foresters as well as a member of Alaska's Board of Forestry. He said he cannot add anything new to what Mr. Kleinhenz said, but that he thinks having another state forest is a good idea, and he supports at least doubling the amount of state forests. The difference between just plain state land and its designation as a state forest is that it enables the investment of resources for long-term benefit and makes possible more intensive management of the state forest.

REPRESENTATIVE SEATON inquired whether at public meetings or his organization's meetings, the boundaries have been looked at and determined that they will work for management of the forest.

MR. NICOLLS replied yes, the only factor that makes them less than manageable is the lack of access. Having state forest status justifies and enables investment in good access as well as other features.

[1:12:52 PM](#)

ROD ARNO, Executive Director, Alaska Outdoor Council (AOC), stated AOC is a statewide organization of outdoors folks who

like to hunt and fish on public lands. He said he personally participated in the Susitna-Matanuska area planning process and that he was on the "Susitna Forest Guidelines Advisory Committee" prior to the adoption of the Susitna Matanuska Area Plan. As executive director of AOC he spends a lot of time at Alaska Department of Fish & Game (ADF&G) advisory committee meetings and spends two weeks at the state fair talking to folks who hunt and fish and who let him know what their access and interest issues are. He stated AOC opposes HB 79, as written. He clarified AOC does not oppose resource development in the Susitna drainage, rather AOC sees timber harvest and mineral and hydrocarbon exploration development as consistent with how its members use state lands for wild food harvest and recreation. The first of two problems with the bill is the way it classifies land; it does not finish the job. Instead of resolving or preventing more user conflicts, it creates conflicts by spreading out the ownership of the state unencumbered lands from the new forest lands because the pieces are not contiguous. The Susitna-Matanuska Area Plan covers over 9 million acres of state land, and of that, 3 million acres currently in the management area are already legislatively designated areas, mainly for habitat protection. However, HB 79 proposes to designate a little over 7,633 acres into the Susitna State Forest, leaving roughly 6 million acres for future designation, which could even further intensify the conflict by having different management of state lands. Environmentalists are showing a great interest in the Susitna drainage.

[1:15:31 PM](#)

MR. ARNO said AOC is hoping the legislation would try to ensure that state lands in the valley critical for wildlife habitat and fisheries are protected and such protection would be provided by state forest designation. The Alaska Outdoor Council would like to see the lands that are classified only as habitat also included in the state forest, not just those areas that are specifically well suited for forestry. The reason for that is the example of the Tanana Valley State Forest. It is a little bit different situation because the non-contiguous pieces were closer to roads so they had easier access than what is had on the western side of the Susitna Basin. Included in the legislation for the Tanana Valley State Forest was AS 41.17.40(e), which says the wildlife management objectives for the forest are the production of wildlife for a high value of sustained yield for human use through habitat improvement techniques to the extent consistent with the primary purpose of the state forest. So, while DNR can do habitat manipulation,

the legislature in creating the Tanana Valley State Forest went further by putting into statute that habitat improvement techniques would be used to increase the productivity of the habitat. That is extremely important. Mr. Arno recalled that when he first started guiding in the Susitna Basin there were 10,000 moose. Today there are 2,500 moose and that is after 7 years of intensive management by ADF&G. It is being heard from ADF&G that the limiting factor is the habitat because this area is interspersed with cabins and homes, which does not allow for a wildfire to burn. If more lands are included in the [state] forest than just the hardcore timber lands, habitat can be manipulated to increase moose populations. At a recent Board of Fisheries meeting, concern was expressed over and over again for the integrity of habitat in the upper Cook Inlet. Seven of the eleven salmon species of concern are in the Susitna drainage. To protect the riparian areas around those streams, AOC would like to see those streams encompassed in a larger forest than what DNR is proposing with HB 79.

[1:19:21 PM](#)

REPRESENTATIVE P. WILSON requested Mr. Arno to provide examples of what would be prevented from happening if the [aforementioned statute] is included.

MR. ARNO replied including it in the forest would prevent future legislation from designating it something else, such as a park which cannot be manipulated to increase habitat. As a designated forest with the same statute as for the Tanana Valley State Forest, an obligation would be put on the department to do habitat enhancement if it is practical and does not interfere with the intent of the forest. It is codified that habitat enhancement can be done on state public domain in this area, but it has not happened despite ADF&G knowing for three years that habitat has been the limiting factor. This would push DNR to do more habitat manipulation for moose in these areas.

REPRESENTATIVE P. WILSON, saying she understands Mr. Arno's answer, asked whether there would be something the timber folks could not do because of that.

MR. ARNO answered no. Responding further, he clarified DNR would not be closing hunting. He said AOC wants DNR to improve the habitat that has not burned since the late 1970s. Without burns it is no longer prime habitat for moose and no longer the local bread basket like it should be.

REPRESENTATIVE P. WILSON surmised it would cost additional money to do habitat manipulation. She inquired what methods DNR would employ to improve the habitat, explaining she is trying to understand why DNR does not want to do this and why this statute is not included in the bill.

MR. ARNO responded that as a member of the committees that worked on the planning process, DNR was looking at strategically targeting the timber that had the highest value. The areas located in between where DNR did not choose are areas of low value, so it is not worth it for the Division of Forestry to timber those areas. However, the division could do habitat manipulation. For example, a small stand of black spruce may not be worth timbering, but knocking down the spruce and the alders would provide better moose habitat.

1:23:48 PM

CO-CHAIR FEIGE understood Mr. Arno to be asking for additional lands to be [designated as state forest], not necessarily under forest management but for habitat preservation.

MR. ARNO replied the legislature can create the boundaries of a state forest without all of the lands being specifically tied to timber harvest. The Alaska Outdoor Council is looking for these lands to be taken out of "just public domain" in between these blocks of forest and have that be contiguous state forest for DNR to manage and to try managing for habitat enhancement, which is what including the provision of AS 41.17.40(e) would do.

CO-CHAIR FEIGE inquired whether Mr. Arno is also suggesting that if such additional lands were included they would then no longer be available for future conveyance to the public, thereby taking away the possibility of people owning their own piece of Alaska.

MR. ARNO answered it would not take "any of the ones that have the land right now"; it would take unencumbered state lands and put them into a legislatively designated area that AOC feels would be more advantageous to the residents of the Cook Inlet drainage by having the production of moose there. After 25 years of going to the Board of Game, he cannot point to another place on the map in which those residents are happy to have Anchorage and [Matanuska-Susitna] Valley residents come to hunt. When looking at state land that is accessible to the majority of Alaskans wishing to hunt for food, far less conflict would be caused if they could hunt within the Anchorage Bowl rather than impacting areas outside the bowl.

1:26:20 PM

REPRESENTATIVE SEATON asked how including "non-timber-value" land in the bill and requiring the Division of Forestry to improve the habit in those areas squares with the idea of limiting forest designation to areas having enough value for investing in roads to access and manage that land. He noted the Division of Forestry is asking the legislature to designate the land as state forest because undesignated lands do not have long-term value as far as investing money for timber production. This would be diluted if other land is included and the division is required to manage all of the land even though there is not timber value on these other lands.

MR. ARNO responded AOC thinks wildlife habitat is equally as important to the residents of Alaska. It is not just any habitat, it would be managed intensively for high production. Both timber and moose are renewable resources. Members of AOC would like to have a place in which to hunt that is close and economically feasible to harvest wild food. Moose meat is just as valuable to the residents of Anchorage as timber is to the timber industry.

1:28:40 PM

REPRESENTATIVE JOHNSON inquired whether it would be better to have some forest even if it is not exactly what AOC wants, because harvested timberland will become prime moose habitat. Understanding Mr. Arno to have said AOC is opposed to HB 79 as written, he further inquired whether HB 79 as written is better than doing nothing, given that time limitations may preclude starting over with another bill or amending the current version.

MR. ARNO replied that politically right now, AOC would push for a larger designated forest because the area has a number of other legislatively designated areas, but they are in pieces and not contiguous. He allowed that designated recreational rivers do cover some of the major salmon spawning streams. He argued that urban people are being evicted from hunting on federal lands, so demand to harvest moose on state land will go up. This is the least conflicted area because there are so few people living on it and there is no "Tier 2-type issue." A lot of other interests in the Susitna drainage, such as The Nature Conservancy and the "Mat-Su Partnership," are working with environmental organizations to preserve the lands. Putting in as much as possible now would save everyone a lot of trouble in

coming together and again asking the legislature for another piece. Because of the fisheries in the northern district and how that affects the whole Cook Inlet, there would be quality in protecting those streams right now by all being in one. Having it all in little pieces will require having access to get out there, but before access can start getting out there, there will be more conflicts. He stressed AOC definitely feels more lands could be gotten now.

1:32:05 PM

REPRESENTATIVE JOHNSON expressed his concern that amending the bill to include these other blocks of land would take more time than is available in the rest of the session. While being able to make the amendments would be the perfect scenario, the question - if there is not enough time - is whether it would be better to adopt the bill, take what can be gotten now, and including the Tanana forest statute so harvesting and management is done keeping in mind that there must be good moose habitat when done. To prevent the possibility of there being no bill, he said he is looking for a compromise in the middle between doing nothing and doing everything.

MR. ARNO answered the 2011 Susitna Matanuska Area Plan breaks down each of the acreages into categories as to whether the acreage is agriculture, forest lands that can be culled and habitat, habitat, habitat water resources, minerals, minerals habitat, public recreation, public facilities, and settlement. The blocks of land labeled habitat in the management plan could be picked out quickly for addition to the bill.

REPRESENTATIVE JOHNSON asked how many acres this would be.

MR. ARNO responded the acreage would double the size of the proposed forest. The Tanana Valley is 1.8 million acres, which is not nearly the size of drainage as the Susitna and less than 800,000 is being asked for in the Susitna. Doubling that would be adding 1.6 [million] acres, which is not an unreasonable size given the demand that that area is going have from the residents of Southcentral Alaska.

1:35:19 PM

REPRESENTATIVE JOHNSON commented he wants to do what he can for hunters in protecting these lands. However, he is perplexed as to what to do and whether this would be the best use of the land. He agreed that when people from his district go hunting

near Fairbanks they do get grief. If this is the solution to providing a backyard bread basket, then he would like to work on that, but he does not know where he stands on this right now and he does not know where this can be done. He inquired as the co-chair's intention for moving the bill.

CO-CHAIR FEIGE replied he is not necessarily looking to move the bill today given quite a few more people have yet to testify.

REPRESENTATIVE JOHNSON said that is comforting.

[1:37:11 PM](#)

DAVE POPPERT, Poppert Milling, Inc., testified his company began doing business in Alaska almost 50 years ago when his grandfather started the company in 1963 in downtown Wasilla. He said a sustainable saw timber supply has been a long time coming; supply of saw logs is something his company battles with yearly. His company supports establishing the Susitna State Forest to the extent that it is going to be economical to get the timber products that his company manufactures and markets. Biggest in these economics is first the availability and second the access. Availability will be taken care of by establishing a state forest. As far as access, the wheels are beginning to turn with some road extension to access "the Fish Creek Ag Area" via an ice bridge across the Little Susitna River. More needs to be done with roads in the future. It does no good to have three-quarters of a million acres of timberland if getting to it is uneconomic. Without this backdoor access, his company is looking at a roundtrip of approximately 200 miles for one load of logs to get from the proposed state forest to his company's manufacturing point, which is economically unfeasible. His company is happy to see the road access that is being put in off the backside of Big Lake through Susitna Parkway.

[1:39:16 PM](#)

MR. POPPERT expressed Poppert Milling's concern with the bill's proposed changes to Title 38. Of particular concern, he said, is the proposed offering of negotiated 25-year sales to include wood fiber users and biomass energy producers. Currently under AS 38.05.123, long-term negotiated sales of about 10 years are reserved for high-value-added products. This proposed change to Title 38 would be quite detrimental to people who add lots of value to the product and, as a result, AS 38.05.118 would pretty much cease to exist. Poppert Milling sees this as providing an avenue for large outside interests to gain a foothold in areas

of the state that should be held for the smaller local mill owners. Issues have been had in the valley in the past with wood fiber users -- hundreds of acres of saw logs went into biomass and chips and some saw logs were exported without any value being added to them. His grandfather started this company and his son is now working with him and will eventually take over, so he is hesitant to do anything in that regard with an unknown future about a saw log supply. If the big wood fiber users and biomass energy producers come in they will take away the saw log material and all that will be left is biomass energy product, which is a low income, low return, and low volume for the buck type of deal.

[1:42:44 PM](#)

MARK STAHL, Owner, Operator, Denali Log and Lumber, strongly supported HB 79 as currently written, saying there are many good reasons for it. It can be seen on a map of the [Matanuska-Susitna] Valley that a high percent of the valley is owned by public entities and Native corporations with very little traditional private land. He urged that the state come forward and manage as much of that land as possible for industry because the amount of private land is not enough to support and grow a diverse forest product industry. Regarding the changes to Title 38, he said he supports a variety of company sizes operating in the area because that provides a healthy and diverse ecosystem in the industry. The different companies do not necessarily compete with each other or even compete for the same resource. Having medium or large-sized operators in the area would be good for everyone as there are enough acres to go around.

[1:45:09 PM](#)

TERRENCE SHANIGAN, Alaska Moose Federation, supported HB 79, saying that the Alaska Moose Federation is also looking at the Alaska Strategic Highway Safety Plan produced by the Department of Transportation & Public Facilities (DOT&PF) for this area. In that plan, DNR is listed as a partner in assisting with habitat creation. While the plan may not be perfect, it does a lot for creating off-highway moose habitat that does not currently exist. This is important to the federation because right now most of the habitat creation is done on the highway corridors and in the last 24 months the federation has recovered about 1,000 moose off the highways in the state's heaviest moose corridors. While that is an accomplishment, it is a completely reactionary program. One of the federation's counter programs is an attempt to create off-highway habitat for moose. The

timber harvests and active management as proposed in [HB 79] would significantly work in that direction. Nine human fatalities with moose have occurred, with the Matanuska-Susitna Valley reporting the highest number of collisions. For example, on 2/2/12 the federation picked up 17 moose off the highways between Eagle River and Talkeetna in a 24-hour period. On 12/30/13 the federation picked up 6 moose in 26 hours in the Parks Highway and Big Lake area. The federation has tried to get permits each winter to create off-highway habitat. So many moose are being drawn into this area that something like HB 79 would greatly reduce the number of moose/vehicle collisions. According to DOT&PF, each vehicle collision is worth about \$15,000 in damage; using DOT&PF's statistics, the damage in 2011 was \$15 million. Moose have become addicted to Alaska's highways and HB 79 will allow moving in a better direction to create off-highway habitat. Mr. Shanigan said that while good arguments were made in earlier testimony, HB 79 is much better than doing nothing and has the added side-effects of reducing public safety issues and enhancing DOT&PF's current plan.

[1:48:59 PM](#)

CHARLES SINK, Chair, Alaska Society of American Foresters, supported HB 79. He read from a 3/15/12 resolution letter passed by his organization in support of a Susitna State Forest [original punctuation provided]:

Members of the Alaska Society of American Foresters fully support the concepts and values of the Susitna State Forest. By legislatively designating this land as a State Forest, this will ensure that the land will remain available for long term forest management. The lands in the Forest will continue to be open for multiple uses including wildlife habitat, harvest, and recreational activities. This region, as well, will continue to retain the large open spaces of public lands.

The benefits of the State Forest are far reaching into the future. Our children's children will benefit from the Susitna State Forest.

MR. SINK emphasized that wildlife habitat and fisheries are a concern of multiple uses of state forests. Allowing the land to burn, he said, is a management issue that is complicated by smoke emissions, land ownership within the area, and the time of year when the burns could occur. Everybody is concerned about

protecting fisheries habitat. His organization is concerned about all the uses of the forest, whether subsistence, fisheries, recreation, or habitat and protecting the forest as state forest is a good management tool to achieve those goals.

[1:51:44 PM](#)

CHAD SCHUMACHER, General Manager, Superior Pellet Fuels, LLC, related that in 2006 he began working on developing a large-scale wood pellet manufacturing facility in Alaska. The viability of a biomass fuel project like Superior's wood pellet plant depends on the need for lower cost heating options, raw material availability, and a large enough population to justify the financial investment of a large-scale system. Superior's management team analyzed these three factors to determine the ideal location for a pellet facility and ultimately a North Pole location was determined the best option at that time. While a facility located in the Matanuska-Susitna Borough had tremendous potential, the insecurity of available raw materials ultimately pushed Superior to the Fairbanks area. The creation of a state forest in the Susitna Valley would greatly improve the stability of the timber industry there. The added security of the proposed state forest would make this area the most likely option for future management of wood pellet and biomass fuel manufacturing for local heat and energy needs. The additional access which would be made available through the designation of the Susitna State Forest would definitely encourage biomass industry growth. He said his company strongly supports HB 79 to create a state forest in the Susitna Valley and expand DNR authority to offer negotiated timber sales statewide.

[1:53:49 PM](#)

CHRIS GATES charged that the forest is currently not being managed at all and is losing value due to beetle kill and fire impacts. He said Alaska needs to consider non-oil resources in the future since the state is running out of oil. The state's distinctive competence is to harvest, export, and add value to its natural resources. The committee's decision should be easy. The state must plan for the day when it does not have oil and does not have a way to somewhat supplement the loss of oil revenue 7-10 years from now. He said he hopes the committee has a bias towards developing the resources. A state forest actually produces wood for sale, which is not true with a federal forest like the Tongass National Forest. For the last 15 years state forests have actually produced wood that an industry can count upon. The Susitna State Forest would add to

the inventory and would also reduce settlement conflicts and manage access and access itself adds recreation opportunities. He urged that HB 79 be moved forward. He suggested passing the bill contingent upon a Susitna State Forest Plan being approved by the legislature within two years. That would handle many concerns of the Matanuska-Susitna Delegation and others with regard to the details of how the forest will be managed. He further urged the size of the forest be made bigger because state forests have been so well managed in the past.

1:56:55 PM

GLEN HOLT stated he is a resident of the Matanuska-Susitna Borough owning three properties there, two of which are remote. He said he is currently working and living in Fairbanks in large part due to the economic opportunity of the Tanana State Forest. However, he intends to maintain his homes and properties in the Matanuska-Susitna Valley where he worked for 23 years for state forestry and then retired from state service with the Alaska Department of Fish & Game, Division of Habitat. He supported HB 79 as written, but said it would be great to see the forest expanded. When he was working for the Division of Forestry and with ADF&G, the agencies often partnered together to work on those habitat-designated lands as was economically and feasibly possible. He said he would like to see the infrastructure created that is had in the Tanana State Forest, adding that the state forest system is vital to economic opportunities within the timber industry without hampering the recreational industry or the multiple use facets of the state forest or the lands surrounding them. It would be nice to enhance the forest if that is an opportunity from time to time. He understood the concern about having too many people move into the proposed state forest area and creating greater and greater impact on the state forest's ability to produce wildlife resources. Instituting a state forest would help to enhance the social, political, and economic environment there in favor of a forest products industry. The industry views that very favorably in that it is a commitment by the State of Alaska to actually have less squabbling and more of a management say in what the main focus of the lands is. Regarding the proposal to amend Title 38, he said he does not see a problem with incorporating biomass resources in the mix for long-term timber sales because it would not be economically prudent or justified to sell high value timber - saw logs, veneer logs, or cabin logs - as biomass. He favored HB 79 saying it is high time to get good legislation and that he hopes there will be opportunity to add to the Susitna State Forest land base.

2:00:43 PM

NICK STEEN, South Central Alaska Chapter, The Ruffed Grouse Society, offered the chapter's conditional support for HB 79. As currently written, he said, the bill is comprised of 14 non-contiguous parcels of land. The chapter urges the boundaries be expanded to include all unencumbered state lands draining into Cook Inlet between Beluga Lake and the south boundaries of Denali national and state parks. A forest designation for this area is supported by the chapter because this land in public ownership is important for the recreational use by the ever-expanding population centers of Southcentral. It would guarantee continued space for wildlife and would retain the character of the land most people came to Alaska to experience. A state forest is the least restrictive land designation that can be managed for everyone's benefit, with the exception of those wishing to see land transferred to private ownership. As the population in Southcentral increases, the recreational demand can no longer be met by transfer of land to private ownership. Historically there have been numerous land disposal programs throughout this area. A review of land ownership will show much of the waterfront land has already been ceded to private ownership. These private inholdings will make access for timber extraction extremely difficult. Interspersing additional transfers of land to private ownership within the land designation for forest management makes no sense. Under the recently enacted Susitna-Matanuska Area Plan, some of the areas the chapter requests to be designated as state forest are slated for disposal. Transfer of land into private ownership as envisioned by the drafters of Alaska's state constitution is laudable; however, as stated by the late Governor Hammond, it is the ultimate lockup. Private ownership denies public use of that specific parcel, frequently controls access to adjacent public lands, and with the not-in-my-back-yard (NIMBY) attitude influences management of public lands within view of that parcel. This NIMBY attitude impacts the state's ability to manage timber resources, wildlife resources, and mining activities. The chapter does not believe those who drafted the state's constitution envisioned the growth in population that Alaska has experienced. A forest designation for this entire area, even though it is not all productive timberland, would provide uniform management guidelines throughout the area. Multiple land designations lead to conflicting land use regulations, causing confusion for users, unintentional violation of regulations, or outright contempt and disregard for those regulations. In the chapter's opinion, a forestry

designation is the least controlling land use pattern possible and will afford future generations the greatest opportunity to experience Alaska as did those before them. If in the future it is determined that additional WalMarts or McDonalds are a higher priority the forest designation can be modified to accommodate the change, whereas returning private land to public ownership is difficult, time consuming, and cost prohibitive. To the chapter's knowledge, this is the last remaining large parcel of state land in Southcentral that can be set aside for public use and enjoyment. Effective management of timber resources enhances wildlife populations such as moose, ruffed grouse, and a variety of song birds. It creates an industry utilizing a renewable resource that improves the economic basis of communities while supporting the demand for recreational areas to hunt, fish, trap, snow machine, hike, and otherwise enjoy the great outdoors. The chapter recommends HB 79 be passed, but expanded as outlined.

[2:05:20 PM](#)

REPRESENTATIVE TARR noted she bought property in this area through the over-the-counter land sales and she knows other people who have adjacent parcels within the area. She asked how the state should address the private land ownership issue.

MR. STEEN responded the recommendation in his testimony was to encompass all unencumbered state lands, so there would be no bearing on private landowners.

REPRESENTATIVE TARR said she thinks being surrounded by state forest could create access issues for private landowners that will need to be addressed.

MR. STEEN concurred, saying it should be addressed in the bill.

[2:06:38 PM](#)

REPRESENTATIVE SEATON inquired whether Mr. Steen participated in the public meetings that looked at designing the boundaries.

MR. STEEN confirmed he and the Ruffed Grouse Society did participate, but said the planning committee chose not to accept any of the suggestions presented by the society.

[2:07:24 PM](#)

OWEN GRAHAM, Executive Director, Alaska Forest Association (AFA), said AFA represents over 100 businesses involved in the Alaska timber industry. The AFA supports establishment of the Susitna State Forest because timber is a renewable resource if it is managed responsibly. The AFA is the sponsor of the sustainable forestry initiative program for Alaska because AFA wants to ensure that Alaska's forests are managed sustainably and in conformance with the rules and regulations regarding forest management. For instance, the fish populations in Southeast Alaska have more than doubled since the 1950s when industrial logging in that region first began. Even the most heavily logged watersheds have seen fish escapement numbers more than double over the last 60 years. With proper management practices, the growth of timber in all the forests can be significantly increased. The great yield from managed forests can allow increased business opportunities and greatly reduces the cost of growing and managing the timber. Many sawmills in Alaska have struggled to maintain a reliable timber supply and the result has been a loss of skilled workers and a loss of customers and a lot of ongoing problems that can only be solved by having a reliable timber supply. Proper timber management can prevent a recurrence of this by providing that stable supply in the long term. Proper timber management will also result in increased road access for many uses besides timber. For these reasons, AFA supports the establishment of a state forest in the Susitna region. While AFA supports habitat improvement, he urged that the bill not be delayed another year because that can be addressed in the future.

[2:09:56 PM](#)

LEWIS BRATCHER, The Great Alaska Bowl Company, said the wood bowls his manufacturing facility produces are an extensive value-added product. His company is interested in this state forest project because the Matanuska-Susitna Borough has the healthiest birch trees available. In the past 22 years his company has worked with the Matanuska-Susitna Borough, the Division of Forestry, Native corporations, and people doing agriculture sales and subdivisions in order to get the best trees possible. Some years this has worked very successfully, some years it has not, the wood was not available. This is an exciting project, he continued, because it gives his company the ability to sustain for 5, 10, and 25 years down the road so it can make the proper investments in equipment, facilities, and marketing. The Great Alaska Bowl Company is a unique user in that it uses very high quality birch product, very high quality trees. The requirement of that product is not available in the

Interior, it is in the Susitna area. Therefore, his company encourages passage of HB 79 because it will facilitate business and the ability to grow.

[2:12:31 PM](#)

CARL PORTMAN, Executive Director, Resource Development Council for Alaska, Inc. (RDC), provided written testimony in support of HB 79. Mr. Portman's testimony was read by Mr. John Sturgeon who spoke as follows:

The Resource Development Council supports HB 79, which ensures large-scale tracts of land in the Susitna Valley remain available for long-term forest management that maximizes a sustainable supply of timber from the state timber base. The new Susitna State Forest would enhance access and encourage a broad range of uses on state forest land, including motorized use, and provide economic and recreational opportunities to communities, businesses, and residents. The new state forest will allow the Division of Forestry to move actively managed lands and vegetation to promote a variety of forest ages, which in turn would maximize a sustained supply of timber from the state timber base and provide for more diverse and healthy habitat for wildlife. In addition, active management would also help the risk of wildfire. The Division of Forestry would manage the forest for a long-term supply of timber to help meet growing regional demand for state timber and personal-use firewood harvesting. The state forests would also help meet increased demand for logs, chips, and biomass, feedstock for commercial, public schools, residential space heating and wood pellet manufacturing. Local processors depend on a stable long-term supply of state timber for their raw material. In fact, a dependable long-term supply is required to justify to major private investment in processing and manufacturing facilities or expansion of such facilities. An enhanced long-term timber supply will not only help support the forest products industry, it would create new jobs and provide important economic opportunities to local communities, businesses, and residents. There has been concern expressed by local residents and user groups that the proposed forest may block public access and traditional use; RDC would not be in support of this

bill if that were indeed the case. RDC has a long history of fighting for and preserving access to both federal and state lands for responsible development of natural resources, economic development, job creation, recreation, and traditional uses, including motorized use. RDC would be writing in opposition to the bill if it were yet another impedance to access. Public access on state forests is typically greater than on other state lands because active timber management requires expansion of the road systems. Access is a major focus of the state planning process as plans provide detailed guidance on road design, construction, and maintenance. In fact, DNR has ... a demonstrated track record of providing access in state forests with design and management tailored to the resource management needs of each forest. The Susitna State Forest would be managed consistent with the timber management and deed under the current Susitna-Matanuska and Southeast Susitna area plans. Alaska's Forest Resource Practices Act would apply to management activities on the forest and is designed to protect both fish habitat and water quality. RDC supports HB 79 and believes the proposed state forest will be of much benefit to the local community. Creating and sustaining much-needed jobs in the forest products industry while providing many other opportunities, including public access that doesn't exist today for other multiple uses. We urge the committee to pass HB 79.

[2:16:13 PM](#)

JOHN STURGEON testified he has been in the forest products industry in Alaska for 43 years and is currently running one of the largest operations in Alaska on Afognak Island, where he logged almost 50 million board feet last year. He said he supports the Susitna State Forest for several reasons. As an investor it is important to have a long, stable, reliable supply of timber, which is what state forests do. The Division of Forestry has a good track record of doing just this in Southeast Alaska and the Tanana area. There were several years in which the Division of Forestry sold more timber than the Tongass National Forest, the second largest national forest in the US. The Susitna State Forest will help the Division of Forestry continue to provide timber for a sustained timber industry. Side benefits include roads. For example, his logging operation on Afognak Island has over 1,000 miles of road and while those

roads are on private land they are used for a variety things, such as hunting and fishing access. The Susitna State Forest roads will do the same thing. Timber management, especially in Interior Alaska, can be used for habitat improvement for a variety of species. Environmental impacts are minimized given that Alaska has one of the best forest practices acts in the US.

[2:19:38 PM](#)

DEANTHA CROCKETT, Executive Director, Alaska Miners Association (AMA), noted that AMA is the umbrella association for Alaska's mining industry and was established in 1939. Members include small family-run placer operations to large-scale hard rock mines, coal mines, exploration projects, and the vendors and contractors that support the mining industry. She said the state's actions to revitalize and promote the timber industry are important. The Alaska Miners Association supports HB 79 because it believes in a stable timber supply, believes in Alaska's forestry practices, and believes the industry has responsibly harvested timber in Alaska for many years. Because the timber industry has faced struggles in federally managed forests for the past few decades, AMA applauds state efforts to promote the timber industry and foster jobs. The timber industry in a state forest would advance infrastructure and activities in an area that has tremendous mineral potential. Placer gold, hard rock mineral deposits, and coal reserves are plentiful in the area. Increasing the economic diversity in this area through resource development is a win-win scenario.

[2:21:22 PM](#)

CO-CHAIR FEIGE closed public testimony after ascertaining no one else wished to testify.

[2:21:42 PM](#)

CO-CHAIR FEIGE requested Mr. Chris Maisch of DNR to respond to the suggestions made during the public testimony.

JOHN "CHRIS" MAISCH, Director & State Forester, Division of Forestry, Department of Natural Resources (DNR), replied the division definitely heard the remark about growing [the boundaries] of the state forest prior to preparing the bill because it attended the various public meetings as part of the area planning process and as part of its advance work of public outreach. The area planning process is the first step in going through an allocation process to designate lands for their

highest and best uses. A number of designations in the area plan do that, including designations for habitat, forestry, disposal for real estate, and disposal for agricultural purposes. For the current proposal under HB 79, the division defined and came up with the boundaries using forest classified lands from the two different area plans that cover this area. That topic was aggressively discussed and vetted during the planning process. The number of acres actually went down from the older plan, the original plan was split into two different geographic areas for the Matanuska-Susitna Valley because of the amount of growth that occurred and to give more detail to the parts of the valley that have really developed, especially along the highway corridor. The division had done a timber inventory on the forest classified lands, which is required before a state forest is proposed. So, these are definitely lands that have been identified as higher productivity from a forestry standpoint. That does not mean other lands in the area plan do not also meet that same standard; it was just determined through that planning process those lands were more suited for disposal, habitat, or some other use. It is a balance of all the interests and needs for this landscape, and the differences of opinion as to what is that balance were reflected in the comments heard today.

[2:24:48 PM](#)

REPRESENTATIVE SEATON, regarding testimony that habitat lands should be rolled into the forest, inquired what the different management regimes are and what does that mean for a habitat designation that would now be changed to a forestry designation. He further asked how that would influence forestry management.

MR. MAISCH qualified he will need to look into the details on that, but said he thinks that habitat classification could still be retained even if the parcel is put in a state forest. When land is designated state forest by statute, the primary purpose is for forest management, which is something he can answer. The management intent for the habitat pieces would have to be reflected in the management plan that is prepared for the state forest, which, by statute, is required within three years of establishment. This management plan by the Division of Forestry must go through a public process. The Tanana Valley State Forest has specific direction on habitat manipulation and encourages active management of those lands for habitat purposes. That is a side benefit and the primary benefit is for forest management. So, there is an element of trust that if

habitat lands go into that state forest they will continue to be managed for that purpose.

2:26:46 PM

REPRESENTATIVE TARR asked how co-management with private lands will occur and how will access to private lands be addressed. For example, the parcel she owns does not currently have road access, which is the same for the parcels adjacent to her land.

MR. MAISCH answered he will provide the committee with a more detailed map, called Susitna Valley Development Lands, that shows the private lands/inholdings within the state land. Lands depicted in purple and red are designated for disposal in the area plan. Most of the water bodies have rings of private property already around them because those are very sought-after pieces of property for a disposal program. The plan for the Tanana Valley State Forest calls for a citizens' advisory committee that is made up of different interests from communities around the state forest. The division uses the committee as a sounding board as it develops its access plans and plans for the timber program. The division also produces a five-year schedule of timber sales that give people a look at what is planned and each individual sale has a forest land use plan that has a public comment period in the design of the sale to address some of the issues being referred to by Representative Tarr. Some people would love to have a road going to their private parcel and others value their private parcel because it does not have a road to it. To accommodate those different values, the division will try to design its transportation system to avoid places where there might be a cluster of properties that prefer a remote nature and to accommodate those that do want access.

2:29:15 PM

REPRESENTATIVE TARR noted the bill as written does not include language directing the department to establish a citizens' advisory panel or to do a two-year plan. She inquired whether adding such language would be appropriate.

MR. MAISCH responded that under current statute the department must complete a forest management plan within three years. Two years would be a shorter timeframe, but it would essentially be the same document. The testifier suggested that such a plan comes back to the legislature for approval, but that does not need to be done under current statute; rather, it is done

through the agency forest management planning process. A citizens' advisory committee is also embodied within the forest management plan itself and mirrors the Board of Forestry in terms of the types of membership, so there would be no problem with including a citizens' advisory committee in the state forest. It is a standard feature in the Tanana Valley and has served the division very well; it provides an early idea for how the public is feeling about proposals for the forest.

[2:31:07 PM](#)

REPRESENTATIVE SEATON recalled the earlier testimony that during the public planning process for the forest there was public support for expanding the boundaries of the forest. He asked whether the division did not want to expand the boundaries or there was public testimony opposing expansion. He further asked whether the disposal lands were supported or opposed during the public planning process or were they division supported.

MR. MAISCH clarified it was the Division of Mining, Land and Water that ran the public process because it was a revision of the area plans. The Division of Forestry participated in the public meetings but did not actually run that process. There are extensive minutes of those meetings. He said he was not at those meetings himself so cannot speak to the specifics, but he is sure the Division of Mining, Land and Water heard a full spectrum of interests coming from the public. It was that division's job to then distill all of that down into a final area plan that was adopted by the commissioner. Its adoption indicates the commissioner felt it was a sound and transparent process to account for the differing opinions.

[2:32:51 PM](#)

REPRESENTATIVE TARR reported that the Iditarod Trail crosses near her property and therefore the trail likely crosses some of the designated lands north of her property. She inquired whether there will be some sort of protection of that trail.

MR. MAISCH replied he will have to check with the Division of Mining, Land and Water, but that the trail may already have an easement that would protect it. If it does not, that could be addressed in the forest management planning process. A chapter in each plan addresses transportation, including trails, roads, and pre-existing things. Something of historic significance would receive special treatment in the plan.

[2:33:45 PM](#)

CO-CHAIR FEIGE held over HB 79.

**HB 202-BISON DRAWING PERMIT FEES**

[2:34:03 PM](#)

CO-CHAIR FEIGE announced that the next order of business is HOUSE BILL NO. 202, "An Act raising the application fee for a drawing permit for the hunting of bison to \$20; requiring the game management plan for bison in the Delta Junction Bison Range Area to include mitigation of bison damage to farm crops and farm and personal property; and authorizing the commissioner of natural resources to make grants to mitigate or prevent damage caused by bison." Co-Chair Feige noted that public testimony on HB 202 is still open.

[2:34:29 PM](#)

REPRESENTATIVE SEATON moved to adopt the proposed committee substitute (CS), Version 28-LS0412\P, Bullard, 2/24/14, as the working document. There being no objection, Version P was before the committee.

[2:34:45 PM](#)

MICHAEL PASCHALL, Staff, Representative Eric Feige, Alaska State Legislature, explained the changes to HB 202 made by Version P, saying these changes were made in response to testimony heard at the bill's previous hearing in this committee. He said the title was changed to reflect the changes made within the bill. Additionally, page 3, line 10, of the bill was changed to restrict grants awarded by the state to only soil and water districts. The amount of the grant that could be awarded in any given year was limited to 50 percent of the fee collected for bison permits and fencing was limited to "fencing used to prevent bison damage."

[2:36:27 PM](#)

The committee took an at-ease from 2:36 p.m. to 2:37 p.m.

[2:37:42 PM](#)

CO-CHAIR FEIGE clarified that the working document before the committee is Version P.

REPRESENTATIVE SEATON drew attention to Version P, page 3, lines 15-16, which state that the grants "may not exceed an amount equal to 50 percent of the total revenue collected under AS 16.05.346(b) in the previous fiscal year". He understood AS 16.05.346(b) is the total amount, which would mean that the difference of \$10 between the current fee of \$10 and the new fee of \$20 could be, but would not have to be, issued in grant.

MR. PASCHALL replied correct.

REPRESENTATIVE SEATON said he asked the aforementioned question to make the change clear to the people listening online.

[2:38:44 PM](#)

CO-CHAIR FEIGE continued public testimony on HB 202.

[2:39:03 PM](#)

ROD ARNO, Executive Director, Alaska Outdoor Council (AOC), explained AOC's concern about HB 202 deals with "fish and game funds," which are near and dear to everybody he grew up with and to everybody who is a new outdoors person. He said the "fish and game fund" is a dedicated fund related to the Pittman-Robertson Act of 1937 under which hunters pay an excise tax on things and that money goes back to the states to be used mainly for restoration. While AOC members sympathize with the farmers for the damage done, AOC is concerned with the bill. He said [AS] "16.05.[130](a)" says "except as provided in section (c), which only has to do with trapping, money that is procured by the state from sport fishing license, trappings, tags, permit fees, may not be diverted to a purpose other than protection, propagation, investigation, or restoration of sport fish and game resources." Where HB 202 is looking at trying to mitigate damage, he continued, the outdoor community does not see that as dealing specifically with the provisions of use for the "fish and game fund."

[2:41:10 PM](#)

CO-CHAIR FEIGE offered his belief that the money still goes to the "fish and game fund" as far as the Pittman-Robertson Act is concerned, but the grant monies would be coming out of the Department of Natural Resources (DNR).

MR. ARNO responded that is AOC's concern -- "having 'fish and game fund' money not being allocated out from fish game but being transferred to DNR."

[2:41:51 PM](#)

REPRESENTATIVE P. WILSON maintained that the money would still be used for game.

MR. ARNO agreed, but said it is being given to farmers for the purpose of mitigating damage that is done by wildlife, not for restoration. While [damage to farmers] is a legitimate concern, AOC does not want any slippage of what those Pittman-Robertson funds can be used for and that use is described in [Alaska] statute, "16.05.130," about diverting that to something else. It can only be used for protection, propagation, investigation, and restoration of game resources.

[2:42:51 PM](#)

REPRESENTATIVE SEATON said Version P, page 2, does not allow mitigation money to go to individuals; rather, it can only be used for preventing bison damage to farm crops, while the previous bill version said it can be used for mitigation. He asked whether this change gets closer "to where we want to be" or does not get there at all.

MR. ARNO replied it is still the idea of taking money out of the "fish and game fund" away from ADF&G for other things even though it is collected just for this and then handed out through DNR. In the past DNR has tried to get "fish and game funds" and AOC resisted those in the past and will continue doing so.

[2:43:52 PM](#)

CO-CHAIR FEIGE inquired whether Mr. Arno has any suggestions for how to help mitigate the damage [caused by bison to farmland].

MR. ARNO answered the US Department of Agriculture (USDA).

CO-CHAIR FEIGE asked whether that would take away from future hunter's opportunities, if what Mr. Arno is suggesting is that the USDA shoot them all.

MR. ARNO responded no and explained the USDA spends money in the Lower 48 to mitigate damage by wildlife. He said he did not

come prepared to show specific examples of that, but he knows the USDA does that in the mid-western states.

[2:44:41 PM](#)

REPRESENTATIVE SEATON requested an opinion be sought from Legislative Legal and Research Services because he is unable to ascertain whether DNR is making these grants or whether the "ADF&G 'fish and game fund'" is making the grants and he would like for this to be clarified.

MR. PASCHALL replied it is the difference between formatting a formula or the tying of funds through the appropriation and the allocation of funds. Under HB 202, the fund is being increased to give [ADF&G] more money, which will go into the "game fund," but then [ADF&G] receives unrestricted general funds that are not tied to the federal legislation that requires that money to go only for wildlife restoration.

[2:45:55 PM](#)

REPRESENTATIVE SEATON asked whether it is the commissioner of ADF&G or DNR that will be designating the funds. He offered his belief that the commissioner of one department cannot reach into the funds of another department.

MR. PASCHALL answered the commissioner that is making the grants to the soil and water districts is the commissioner of DNR. He understood through conversation with DNR Deputy Commissioner Fogels that DNR would work out an agreement to do an inter-agency transfer of the funds to make the appropriation and to provide for the grant.

[2:46:45 PM](#)

REPRESENTATIVE SEATON understood, then, that the money from the license fees would go to the "fish and game fund" and would not come out of the "fish and game fund."

MR. PASCHALL responded yes, conceptually that is the idea of what is trying to be done with this. A tie is not being made to the money where the money would physically go into the fund and then come out of the fund because there are questions as to whether that would violate the federal legislation that allows for the reimbursement. It is not wanted to risk that reimbursement because these animals are there and available to hunt and hunting these animals is a great activity for people in

the Interior and throughout the US. It is just how to come up with a formula to go about it, so the formula is simply tied to the amount and that is all.

[2:47:43 PM](#)

REPRESENTATIVE SEATON understood, then, that the money would go into the "fish and game fund," [ADF&G] would be legally obligated to spend those monies from the "fish and game fund" in the way that it is restricted to spend those monies. So, if there is an inter-agency transfer from [ADF&G] it is not going to diminish that \$20; that \$20 per bison permit is still going to stay in the "fish and game fund" and [ADF&G] would have to reach to some other portion of its revenue to transfer to DNR for DNR to make these grants.

MR. PASCHALL replied correct.

[2:48:33 PM](#)

REPRESENTATIVE TARR surmised it would supplant the funds that would otherwise be unrestricted general funds that went to [ADF&G] for similar purposes. So, [ADF&G] would have its needs met by this additional \$10 and the unrestricted general funds that are not needed would be diverted to DNR for award of these grants through the soil and water conservation districts.

MR. PASCHALL answered correct, that is the intention of what is trying to be done in HB 202 so as to not risk the matching federal dollars in the program because the money can be used under the federal legislation for administering [ADF&G].

[2:49:16 PM](#)

REPRESENTATIVE P. WILSON concluded [ADF&G] would be getting more into its "pot" than it had before.

MR. PASCHALL qualified he is not an expert on this particular topic, but responded that since [ADF&G] would receive more funds and thus receive more match, [ADF&G] would actually receive more revenue than it would expend overall on this process.

DOUG VINCENT-LANG, Director, Division of Wildlife Conservation, Alaska Department of Fish & Game (ADF&G), explained the "fish and game fund" is statutorily protected and it is very difficult for a legislature to dedicate money out of it for a specific purpose that is not aligned with what the federal statutes call

for. In this case, since the money is being deposited into the "fish and game fund" it would be up to [ADF&G] to do things that would be in benefit of bison and future hunting opportunities associated with bison management and restoration. He said he has not seen Version P, but that the original version gave ADF&G flexibility in how best to address those issues in working with DNR. It allowed ADF&G to enter into a reimbursable services agreement (RSA) with DNR to possibly build fences but not necessarily direct ADF&G only to build fences; to take the best approach to try to mitigate those damages so there were still opportunities to restore bison and manage bison for hunters. As long as that flexibility rests with ADF&G in that context, [ADF&G] can move forward.

[2:51:15 PM](#)

REPRESENTATIVE SEATON understood the DNR commissioner may make grants; there is nothing that requires ADF&G to have an RSA and transfer funds to DNR. He understood there is no statutory requirement for ADF&G to transfer money to DNR for this program that DNR may or may not do; the DNR commissioner is not required to do this. He requested a correction if his interpretation of Version P is incorrect.

CO-CHAIR FEIGE offered his belief that Representative Seaton's interpretation is correct.

MR. PASCHALL replied correct, the purpose of the bill is to enable two events. One is to increase the amount of the fee because it is a logical thing to do considering the number of people that are applying and how low the fee is. Second is to give authority to the commissioner of DNR to make these grants because the commissioner does not statutorily have that authority. While these two things are in one bill, they are not tied together.

CO-CHAIR FEIGE continued with public testimony.

[2:52:51 PM](#)

WAYNE BROST stated he is a farmer at Point MacKenzie and he has a couple of questions. First, why was moose wildlife mitigation not included in this? At Point MacKenzie he had about \$10,000 in predation on his hay during a heavy snow year and many other farmers are also having problems with moose issues. Second, does this potential mitigation and legislation muddy the waters on the proposed "Woods Bison Project" that proposes to introduce

bison? He charged that the state has poured lots of money into this project through a [nonprofit] organization near the turnoff to Whittier and that the person running the organization is basically making a profit off the state having bison there. He related that other states around the US have similar programs that mitigate wildlife [damage] to keep peace between producers and fish and wildlife.

2:54:28 PM

AL BARRETTE requested the committee not support HB 202. He said the bill states it is an act entitling management for bison on the Delta Junction Bison Range. The bison range is clearly codified in state statute, so everything in the bill pertaining to mitigation of crop damage to farmers only applies in the Delta Junction Bison Range. It is not a farm. It is a separate different spot than where the traditional farming has been going on. The bill will not "get you anywhere" because it only applies to that small area that was enacted by the legislature in 1979. Mr. Barrette further argued that when taking out the language "but not limited to" it is being said that the department must include these four things. It does not give the department any tools to work with if it comes up with better ideas or other ways of keeping bison off the traditional Delta Agricultural Project. He added he does not think it fair that only consumptive users are paying for this given there are other users such as wildlife viewers. Further, this is a slippery road to people who have damages by bison to their vehicles and will also demand to be compensated and mitigated. He urged that Legislative Legal and Research Services look at the bill to see whether it will do what is intended.

2:57:05 PM

JEFF LIPSCOMB stated he is a 16-year resident of Delta Junction and a member of the Delta advisory committee to [ADF&G]. He allowed there are crop damage issues, but said he opposes HB 202 because it is only hunters who would be paying to support private individuals. Other options are available, such as land use fees charged by landowners to hunters accessing their land. Additionally, he asked what share of the cost of these grants is borne by other beneficiaries of bison and/or farming, such as non-consumptive users like tourists. It is far beyond hunting because the area's identity is centered on the bison herd. Purchasers of the farm products that are being protected should also share a cost in this. If average applications have been around \$18,000 a year, then that is about \$180,000 of additional

funding that will be collected solely from hunters to build fencing, as the bill is currently written. If \$180,000 is the number, and accounting for the matching funds, he would like to know what is the real net increase of funding available to ADF&G for non-fencing bison management. The bison were in this location 30 years before commercial farming and no one pays him when the moose eat the cabbage in his backyard.

[2:59:07 PM](#)

REPRESENTATIVE TARR inquired whether Mr. Lipscomb would support this measure if it was for a shorter-term basis rather than an indefinite time period.

MR. LIPSCOMB answered it is not the duration that concerns him, but rather the special interest discrimination. Funding would be solely on hunters who are not the only users and beneficiaries of the bison herd. He does not have a problem with fee increases when they really are to allow ADF&G to use its science-based biological management techniques and tools to do what is best for the resources and the community. If the legislature determines more funding is needed for fencing, crop damage, payments, or other things, he is okay with that if that is the right answer, but that should not be paid for by hunters. Rather, it is a general funding issue for the legislature.

[3:00:41 PM](#)

CO-CHAIR FEIGE requested Mr. Lipscomb to be more specific as to who the other beneficiaries of the bison are.

MR. LIPSCOMB responded tourism is one instance. He said he cannot provide any tourism figures, but there is a reason the city limit signs in Delta Junction have bison on them. Delta Junction started out being called Bison Center until the highway came through. Delta Junction's local identity centers on that bison herd. Local businesses include "bison" in their names. So, it is not just hunters that identify with and need the bison. At the working group meetings, quite a few non-consumptive people testified about their feelings for the bison herd. His wife is not and never will be a hunter, but she loves having a bison herd in the community.

[3:01:56 PM](#)

DAVID DAVENPORT noted he and his wife have lived in the Delta Junction/Buffalo Center/Big Delta area for a combined 87 years

and have witnessed many things in Alaska in that time. He and his wife attended the meeting about the proposed experimental barley project where two straw polls were conducted by the presenting committee. The first vote was overwhelmingly against the project. Several mothers left the meeting to tend to their children and a second vote was held that passed. Pappy Moss and a few others in government had already decided it would be in Delta and not Nenana. The following spring began the barley project fires that lasted from 1979 to 1981, which was mass chained-down black spruce forest. After the first few years of crops failing due to early snows, not to mention the state having no infrastructure to ship, receive, or deal with the bushels of barley, the state bailed on the farmers, forcing many of them to liquidate or turn to welfare or even suicide. Bison are large animals that require food, shelter, and water and since 1928 they have freely ranged from the Little Delta River east to the Johnson River, north to Healy Lake to the south fork of the Good Pastor River, and as far south as Black Rapids Glacier, an area of nearly 10,000 miles in size. The area selected for the transplant was rich in large grassy meadows and wetlands, including the Bluff Cabin Slough area near Rika's Roadhouse and the Clearwater River Bog, located in the middle of the now-disputed farm area and the Healy Lake and Volkmar River grasslands and natural occurring springs that offered water year round. Native grasses were cut by the old-timers to feed their horses and livestock and use as bedding for sled dogs. Free ranging bison thrived in the area as well. [Paragraph 11 of Section 3] of the bill would make grants to those whose property or crops have been damaged by bison or the threat of bison; this is a "load of ... bison droppings," he charged. Also, it does not require a farmer to fence. So, is this a solution? If it required fencing, then the bison issue would no longer exist, but the damage would still occur from migratory waterfowl or the weather. The weather being experienced over the last few years will likely continue to raise issues with all farmers worldwide. In time, this fee increase of \$10 would be paying for damages that are not bison related. When the last farm in the area is fenced off, where do the free ranging bison get their food, water, and shelter? Are wildlife corridors mentioned or required in this bill? "At a cost of 60 million bison later here we are." The bison were brought to the area by the Tanana Valley Sportsmen's Association to offer different hunting opportunity. The association requested mule deer and/or elk but the federal government at the time was trying to establish a free range bison herd in a remote area to protect and preserve the last remnants of the American Bison. In 1928 there was only Big Delta, no Delta Junction. Before Delta Junction there was

Buffalo Center. The bison are what put Delta on the map. They bring countless dollars into Alaska, not just Delta. To let this farm bill determine their fate is wrong. He urged HB 202 not be supported. Noting that the allocation of these grant funds would be restricted to only soil and water districts, he pointed out that the Clearwater federal watershed project built many years ago in the Delta area was a failure, which leaves a lot to be desired about giving these districts any money.

[3:06:33 PM](#)

CO-CHAIR FEIGE closed public testimony and held over HB 202.

[3:07:09 PM](#)

#### **ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:07 p.m.