

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

March 12, 2021

1:03 p.m.

**MEMBERS PRESENT**

Representative Josiah Patkotak, Chair  
Representative Grier Hopkins, Vice Chair  
Representative Calvin Schrage  
Representative Sara Hannan  
Representative George Rauscher  
Representative Mike Cronk  
Representative Ronald Gillham  
Representative Tom McKay

**MEMBERS ABSENT**

Representative Zack Fields

**COMMITTEE CALENDAR**

HOUSE BILL NO. 98

"An Act relating to forest land use plans; relating to forest land use plan appeals; relating to negotiated timber sales; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 98

SHORT TITLE: FOREST LAND USE PLANS; TIMBER SALES

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/18/21	(H)	READ THE FIRST TIME - REFERRALS
02/18/21	(H)	RES, FIN
03/12/21	(H)	RES AT 1:00 PM BARNES 124

**WITNESS REGISTER**

BRENT GOODRUM, Deputy Commissioner  
Office of the Commissioner  
Department of Natural Resources  
Anchorage, Alaska  
**POSITION STATEMENT:** Introduced HB 98.

TIM DABNEY, Acting Director

Division of Forestry  
Department of Natural Resources  
Anchorage, Alaska

**POSITION STATEMENT:** Presented HB 98.

CHRISTOPHER ORMAN, Assistant Attorney General  
Natural Resources Section  
Civil Division (Juneau)  
Department of Law  
Juneau, Alaska

**POSITION STATEMENT:** Answered questions and provided information on HB 98.

#### **ACTION NARRATIVE**

[1:03:19 PM](#)

**CHAIR JOSIAH PATKOTAK** called the House Resources Standing Committee meeting to order at 1:03 p.m. Representatives Hopkins, Schrage, Hannan, Rauscher, Gilham, Cronk, McKay, and Patkotak were present at the call to order.

#### **HB 98-FOREST LAND USE PLANS; TIMBER SALES**

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CHAIR PATKOTAK announced that the only order of business would be HOUSE BILL NO. 98, "An Act relating to forest land use plans; relating to forest land use plan appeals; relating to negotiated timber sales; and providing for an effective date."

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BRENT GOODRUM, Deputy Commissioner, Office of the Commissioner, Department of Natural Resources, read an introduction to HB 98:

Good afternoon Chair Patkotak and committee members. For the record I am Brent Goodrum, Deputy Commissioner of the Department of Natural Resources. We thank you for the opportunity to bring before you House Bill 98, a bill that seeks to help modernize our timber sales processes and to make our decisional processes more consistent with contemporary practices. Proposed modifications to these statutes will help grow predictability and jobs in Alaska's timber industry, an industry that has longed for more flexible and longer-term negotiated sales necessary to meet the

current needs of their intended markets. The Division of Forestry and Alaska's timber industry have been seeking to find needed resolution to these challenges for several years, and the administration was first able to introduce legislation last year in the Covid-abbreviated legislative session and simply ran out of time. The time is right to help Alaska's timber industry and our state economy, but prudent modifications to our timber sales and decisional processes statutes. The benefits of an acting House Bill 98 will result in more efficient land use planning and more predictable timber harvests. Who in business today doesn't rely upon predictability? Importantly, House Bill 98 is a zero fiscal note. I am joined this afternoon by Tim Dabney, Acting State Forester, who will present House Bill 98 to you. Tim will be joined by Chris Orman with the Department of Law, who will be available to assist with any legal questions related to this important legislation. Again, thank you for the opportunity to present House Bill 98, and I'll now hand it off to Acting Director Tim Dabney.

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TIM DABNEY, Acting Director, Division of Forestry, Department of Natural Resources, presented HB 98 with a PowerPoint (hard copy in the committee packet). He described the first issue addressed by HB 98 as the matter of negotiated timber sales; current law prohibits long-term negotiated timber sales for export.

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REPRESENTATIVE HANNAN asked for clarification on whether Mr. Dabney is referring to foreign exports, or exports from Alaska.

MR. DABNEY clarified that it is for export from Alaska out of the state to emerging markets.

REPRESENTATIVE HANNAN followed-up with the question of whether there is any intention to differentiate between foreign buyers and buyers within the U.S. market.

MR. DABNEY said that he is not aware of those differences in this statute change. He then continued the presentation with

slide 4, "Background: Negotiated Timber Sales," which he read as follows [original punctuation provided]:

- AS 38.05.115: Small-scale sales
- AS 38.05.118: Local manufacture sales
- AS 38.05.123: Local manufacture sales of high value-added wood products

MR. DABNEY moved on to slide 5, "Inadequate Authority for Negotiated Sales," which read as follows [original punctuation provided]:

- Current statutes focus on in-state timber use, and prohibit negotiated sales for export.
- As Alaska's timber market shifts to Asia, industry needs flexibility and long-term negotiated sales for export.

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REPRESENTATIVE RAUSCHER asked if any of the current statutes cover in-state personal use such as firewood for heating a residence.

MR. DABNEY answered that personal use is not addressed in current statute, nor is it included in the proposed legislation.

MR. DABNEY continued his presentation with slide 6, "Action Needed: Negotiated Sales," which read as follows [original punctuation provided]:

- Consolidate authority for both small and large negotiated sales into two statutes.
  - Delete requirement that negotiated sales can only be for local manufacture.
- Result: Flexibility in resource development to meet economic needs; simpler statutes.

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REPRESENTATIVE HANNAN asked if the proposed change would ensure any protection for Alaska buyers. She talked about the need to protect Alaskan manufacturers with value-added processing having the first chance to buy local timber, instead of a small in-state business having to compete with a large foreign national buyer for the same timber harvest.

MR. DABNEY said that the commissioner would be required to consider the local timber market to ensure that the local industry and jobs are protected.

MR. DABNEY continued his presentation with slide 7, "Issue 2. Forest Land Use Plans," which read as follows [original punctuation provided]:

Steps in a Timber Sale

Public and agency comment gathered at each step.

1. Regional Planning: Area Plans & State Forest Plans
2. Five-Year Schedule of Timber Sales
3. Best Interest Finding (BIF)\*
4. Forest Land Use Plans (FLUP)\*

\*Subject to appeal.

MR. DABNEY moved on to slide 8, "BIF vs. FLUP: What's the difference?," which read as follows [original punctuation provided]:

Best Interest Finding

Decisional document:

- Should we sell this timber?

Forest Land Use Plan

Implements BIF on the ground:

- How should we sell this timber?

MR. DABNEY explained further with slide 9, "What is a Best Interest Finding (BIF)?," which read as follows [original punctuation provided]:

The BIF is the decisional document that ensures the sale will serve the State's best interest.

Division of Forestry (DOF) must adopt a final BIF before selling timber (AS 38.05.035(e)).

MR. DABNEY moved on to slide 10, "Best Interest Finding:," which read as follows [original punctuation provided]:

- Establishes overall sale area
- Determines amount of timber sold and duration of sale
- Sets harvest and reforestation strategy

- Ensures sale proposal complies with sustained yield principles
- Selects sale method (i.e., competitive or negotiated)
- Determines appraisal method used to determine sale price

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MR. DABNEY continued the presentation with slides 11 and 12, "What are Forest Land Use Plans (FLUPs)?," which read as follows [original punctuation provided]:

- FLUPs present detailed information on the location, access, harvest methods, duration, and proposed reforestation for each sale.
- DOF must prepare a Forest Land Use Plan (FLUP) for timber sales over 10 acres before harvest can begin.
- FLUPs follow multiple use and sustained yield principles, and consider non-timber uses and resources within the sale area.
- FLUPs are subject to public comment and agency review.
- FLUPs may now be reviewed either during or after the Best Interest Finding process.

MR. DABNEY continued to slide 13, "Forest Resources and Practices Act," which read as follows [original punctuation provided]:

The Alaska Forest Resources and Practices Act (FRPA, AS 41.17) governs timber harvesting, reforestation and access on state, private, and municipal land.

FRPA protects fish habitat and water quality, and ensures prompt reforestation while providing for a healthy timber industry.

MR. DABNEY moved onto slide 14, "FLUPs & Appeals," which read as follows [original punctuation provided]:

DOF may sometimes issue a BIF and award a timber sale before all FLUPs for the sale area are completed.

The BIF and FLUPs now can be appealed at different times. This delays the sale, interrupts harvest operations, and creates uncertainty.

MR. DABNEY presented slide 15, "Baby Brown Sales; Phase 1," which he described as an example of how the best interest finding (BIF) and forest land use plans (FLUPs) can be appealed at different times; slide 15 illustrated the BIF appeals, which were denied, and the contract was awarded. Slide 16, "Baby Brown Sales; Phase 2," showed the same map area but illustrated the FLUPs, which were appealed, and the contract was subsequently cancelled.

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MR. DABNEY continued to slide 17, "A sale can be appealed at both BIF and FLUP stages," which read as follows [original punctuation provided]:

- Timber buyers value the steady supply offered by large, long-term sales.
- DOF cannot easily prepare all required FLUPs before offering the entire sale.
- DOF prepares 2-3 FLUPs, then more as harvest allows access to further units.
- Redundant FLUP appeals can interrupt harvest of long-term sales, even if they repeat objections addressed in the already adopted BIF.

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CHAIR PATKOTAK asked about the process for public engagement and whether there is any commissioned body involved within the timber industry for oversight.

MR. DABNEY replied that he didn't know.

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REPRESENTATIVE HOPKINS referred to slide 7, which listed four steps in a timber sale and asked whether, under current statute, steps one and two are appealable.

MR. DABNEY responded that those steps are not appealable, although public comment and review is encouraged.

REPRESENTATIVE HOPKINS followed up to ask if his understanding of a FLUP is correct, in that it restricts practices such as clearcutting.

MR. DABNEY defined FLUPs as the plan that covers all of harvest activities in the timber sale contract.

REPRESENTATIVE HOPKINS asked for confirmation on his understanding that a timber sale contract would be required to be in compliance with the FLUP.

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MR. DABNEY noted that there is a Board of Forestry, which serves to ensure statutory compliance.

CHAIR PATKOTAK asked Mr. Dabney to detail where the Board of Forestry would be involved within the four steps of a timber sale, as described on slide 7.

MR. DABNEY said that the Board of Forestry meets quarterly and, while it's not directly involved in the steps of a timber sale, it does provide regular oversight.

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MR. DABNEY resumed his PowerPoint presentation on slide 18, "Example: Baby Brown Sale" which concluded that the appeals process highlighted in slides 16 and 17 forced the cancellation of this large, long-term timber sale, resulting in a five-year delay.

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CHAIR PATKOTAK asked for further clarification on the appeals process, describing it as "nimble enough for industry growth," yet with accountability measures in place. He also asked why exactly the timber sale was cancelled.

MR. DABNEY explained that the FLUP appeal was to the commissioner, who decided to cancel the sale due to a procedural error made by the Division of Forestry.

CHAIR PATKOTAK asked whether the statute changes proposed in HB 98 would address a similar situation.

MR. DABNEY answered that this statute would "alleviate that particular procedural error."

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REPRESENTATIVE CRONK asked for examples of what BIF and FLUP appeals would be, and who originated them.

MR. DABNEY said that appeals had been made by environmental organizations due to the perceived negative impact on the environment.

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REPRESENTATIVE HANNAN asked Mr. Dabney to explain the process for public notice in the BIF and FLUP portions of the sale.

MR. DABNEY said that the first opportunity is the public notice of upcoming sales in the five-year schedule of timber sales, and after that the BIF and FLUP plans are public documents with opportunity for review and comment. He noted that it's not unusual for a public comment made at the FLUP stage to result in a modification of the sale.

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REPRESENTATIVE HOPKINS referred to Mr. Dabney's earlier description of a procedural error made by the Division of Forestry that cancelled a sale.

MR. DABNEY clarified that, prior to awarding the sale, there was an error made by the Division of Forestry in the documents.

REPRESENTATIVE HOPKINS asked for confirmation that it was not an appeal by an outside entity that cancelled the sale, but rather an error in the Division of Forestry.

MR. DABNEY, over the course of several subsequent exchanges with Representative Hopkins, explained that the appeal was for multiple reasons including this specific procedural error.

REPRESENTATIVE HOPKINS noted that the initial offer for this particular sale was in 2016; he then asked when exactly the sale was cancelled, and also asked how many other timber sales have been denied due to appeal by outside entity.

MR. DABNEY said that the 2016 sale was cancelled in 2017, and that he is not aware of any other sales that have been cancelled as the result of appeals.

REPRESENTATIVE HOPKINS asked for confirmation that, had the Division of Forestry not made the procedural error, the sale would have been fulfilled.

MR. DABNEY replied that he does not know.

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MR. DABNEY returned to his presentation with slide 19, "Action Needed: FLUPs," which read as follows [original punctuation provided]:

- Refocus appeal process at BIF stage
- Retain public opportunity to appeal
- Avoid redundant FLUP appeals

Results: More predictable timber harvests; more efficient forestry planning; no appeal interruptions, continued robust public process and agency participation.

MR. DABNEY noted that it's difficult for the Division of Forestry to get the FLUPs done in advance of the BIF, it's preferable to have long-term sales to alleviate that pressure.

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REPRESENTATIVE MCKAY asked how many, as a percentage, of the timber sales get appealed.

MR. DABNEY answered that there have been six of seven appeals at either the BIF or FLUP stage, from multiple appellants, all of which have been for sales in Southeast Alaska. He said that even if an appeal is denied, it slows down the process of getting timber to the market.

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REPRESENTATIVE SCHRAGE asked about the appeals process, specifically how it works and how long the process takes.

MR. DABNEY answered that the appeal first goes to the "decision-maker," which in this case would be the Director of the Division of Forestry; the appeal can then be escalated to the

Commissioner of the Department of Natural Resources, referred to as a "request for reconsideration." The process takes anywhere from several months to two years.

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REPRESENTATIVE HOPKINS, returning to Representative McKay's question, asked about the percentage of applications that are appealed and the size (out of small, medium or large) of the applications.

MR. DABNEY responded that of the six appeals he's aware of during the last 10 years, all were in Southeast Alaska and he said that the appeals constituted more than 50 percent of the large timber sales in that area.

REPRESENTATIVE HOPKINS asked about the size of the sales.

MR. DABNEY answered that he believes that the sales were "not less than 500,000 board feet."

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REPRESENTATIVE HANNAN asked, of those six or seven appeals, how many were for the same plot of timber.

MR. DABNEY said that each appeal was for a unique timber sale.

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MR. DABNEY resumed his presentation with slides 20 and 21, "Why is HB 98 important?", which read as follows [original punctuation provided]:

Streamlines timber sale process

- Efficient forestry planning
- Retains public & agency participation

Provides more certainty for businesses and the jobs they support

- Predictable timber harvests
- No appeal interruptions

Increases flexibility to meet market demands

- Supports export market (allows negotiated round-log sales)
- Protects local markets (retains negotiated sales for local manufacture)

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REPRESENTATIVE CRONK noted that slide 21 is a log yard in Tok and that it's a local employer, and he spoke about the benefits of long-term sales and continuity of harvest.

MR. DABNEY thanked Representative Cronk for his comments and noted how the proposed legislation would be beneficial.

REPRESENTATIVE CRONK followed up to speak about the amount of fire protection that happens in and around Tok and how that work is good for the economy, and he emphasized the importance of ensuring local loggers have the protection they need in order to continue that work.

MR. DABNEY noted that the bill would be beneficial to the development of fuel breaks. After a brief exchange with the committee in which they acknowledged availability to go more in-depth on the benefits of HB 98 at a later date, Mr. Dabney resumed his presentation on slide 22, "Why is HB 98 important? (cont'd)," which read as follows [original punctuation provided]:

Modernizes statutes

- Consolidates and simplifies confusing negotiated sales law

Saves money 22

- Zero fiscal note

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REPRESENTATIVE HANNAN asked whether this bill would cover Alaska Mental Health Trust Authority (AMHTA) and/or University of Alaska (UA) land sales.

MR. DABNEY said that the proposed statute change would not change anything about the way AMHTA operates its timber sales; he then deferred to Christopher Orman for additional comment.

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CHRISTOPHER ORMAN, Assistant Attorney General, Natural Resources Section, Civil Division (Juneau), Department of Law, said that AMHTA is a unique operation in that it adopts its own policy, regulations, and principles. He said the trust has its own policies regarding land and timber disposals, so this proposed legislation would not change that operation.

REPRESENTATIVE HANNAN asked to follow up regarding the Brown Baby sale to get clarification on whether this type of sale would include timber on AMHTA land.

MR. ORMAN confirmed that, while he isn't familiar enough with the specific sale being discussed to be able to speak to it, HB 98 would not change the way AMHTA disposes of timber or land.

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MR. DABNEY spoke about AMHTA and UA lands working together with the local forester on timber sales.

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MR. DABNEY resumed the presentation with slides 24 and 25, showing the Sectional Analysis, which read as follows [original punctuation provided]:

Section 1

Amends AS 38.05.035(e)(6)(A) to maintain the exemption of sales of 500,000 board feet of timber or less from a written best interest finding (BIF) requirement.

Section 2

Adds specific criteria the DNR commissioner must consider when deciding whether to offer a negotiated timber sale:

- best interests of the state
- local timber market
- specialized or developing foreign or domestic markets
- presence of underutilized timber
- economic constraints of the intended timber market
- other benefits to the state and local economy

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CHAIR PATKOTAK asked Mr. Dabney to talk about the specified number of 500,000 board feet.

MR. DABNEY deferred to Mr. Orman.

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MR. ORMAN responded that the size of the timber harvest correlates with the statutes listed on slide four of the presentation; HB 98 would create different negotiated sale provisions. The proposed legislation is an effort to streamline the scale of timber sales.

CHAIR PATKOTAK expressed his understanding.

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REPRESENTATIVE HANNAN asked for clarification on the difference between small, medium, and large sales vs. board feet; less than 500,000 board feet is a small sale, but a larger sale might have to do more with the term of the contract than the amount of wood.

MR. DABNEY said that there is no real definition of a "medium" or "large" sale, but that the term of the contract could be substituted for board feet, so sales with terms of three to four years could feasibly be considered "medium", while a contract for 10-25 years could be considered "large."

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MR. DABNEY resumed his presentation on slide 26, which read as follows [original punctuation provided]:

Section 3

- Expands from 10 acres to 20 acres the size of timber sales exempt from the need for a FLUP.
- Requires a FLUP to be adopted before harvest.
- Allows a single FLUP to authorize timber harvest for multiple harvest units in a timber sale contract.
- Allows DNR to award a timber sale contract before adopting a FLUP.

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REPRESENTATIVE HOPKINS asked Mr. Dabney to reconcile the bullet points on slide 26 that say a FLUP must be adopted before harvest, but DNR may award a timber sale contract before adopting a FLUP.

MR. DABNEY explained that the Division of Forestry would award a timber sale contract based on the BIF, but timber can't be harvested from the individual units until the FLUP for that unit has been adopted.

REPRESENTATIVE HOPKINS referred to the map on slide 25 and used it to rephrase his question.

MR. DABNEY responded that one of the advantages of this proposed legislation is that some units can be harvested while the FLUP is being processed for other units.

REPRESENTATIVE HOPKINS asked if, in the case of an appeal on the harvest of one of the units, the entire sale stops or only the parts which contains that discrete unit.

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MR. DABNEY answered that it would affect only those particular harvest units subject to appeal, rather than the whole contract area.

REPRESENTATIVE HOPKINS asked whether that practice is in current statute, or is the proposed statute under HB 98.

MR. DABNEY said that under HB 98 the significant change would be that there would be no delays associated with appeals to the FLUPs.

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REPRESENTATIVE HANNAN referred to the measurement of volume of board feet in deciding whether the sale is small, medium, or large. She noted that slide 25 changed the measurement from board feet to acres, and noted that different plots of land can provide different amounts of board feet even if the plots are the same size.

MR. DABNEY explained that Section 3 is acreage-based, so volume is not a consideration in this section.

REPRESENTATIVE HANNAN asked Mr. Dabney to explain why the measurement switched from board feet-based to acreage-based.

MR. DABNEY said that for the most part, the "small" sales in terms of acreage are for local manufacturers.

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CHAIR PATKOTAK asked whether the proposed change in language in HB 98, from using measurements in board feet to using measurements in acres, would change when a FLUP is in effect.

MR. DABNEY said that there would be no change in volume requirements in HB 98; volume comes into play because this bill would change the statutes, allowing negotiated timber sales.

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MR. DABNEY resumed his presentation with slide 27, which read as follows [original punctuation provided]

Sections 4-6

Section 4 - Removes individual's power to appeal FLUP decision to the DNR commissioner.

Section 5 - Combines small negotiated sales with large.

Section 6 - Eliminates requirements for local manufacture of wood for negotiated sales.

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CHAIR PATKOTAK asked for clarification on Section 4, noting that it "has a negative connotation" when discussing "removing an individual's power."

MR. DABNEY said that the FLUP process would be more focused at the BIF stage, adding any additional points to consider including public involvement and comment.

CHAIR PATKOTAK said that his understanding was that this would focus the power of individuals to appeal in a previous step, but would negate the power to appeal later in the process.

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REPRESENTATIVE SCHRAGE asked whether an entity other than an individual would be able to appeal at the FLUP stage.

MR. DABNEY clarified that the terms "individual" and "group" are synonymous.

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CHAIR PATKOTAK mused aloud that there is a lot of work that must be done by the Division of Forestry in between each of these steps, and that it's preferable that an appeal which could hinder or cancel the work happen earlier in the process before much more work has been done.

MR. DABNEY agreed with that statement and said that this provision in HB 98 would remove the risk of subsequent appeals impacting the timber sale.

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REPRESENTATIVE HOPKINS described a hypothetical scenario of a long-term timber sale going right up to the edge of the Tanana Valley State Forest. He speculated that even if the forest management plan specified that there must be a 500-foot buffer from the edge of the state forest, if a person applies for a timber harvest to go [past the buffer] all the way up to the edge of the state forest, nobody would be able to appeal that decision and that timber harvest.

MR. DABNEY answered that the BIF finding stage under HB 98 would be aware of this restriction, and the FLUP would be prepared. There would also be public comment allowed and all of the entities involved could work together to come to an understanding.

REPRESENTATIVE HOPKINS clarified that he should have said "under the FLUP it would not be appealable."

MR. DABNEY replied that in that case, the forest management plan for the Tanana Valley State Forest would already be in place and would not be appealable.

REPRESENTATIVE HOPKINS asked whether the BIF would have to appeal to the forest management plan.

MR. DABNEY said that the BIF has to be compliant with the management plan, but can still be appealed.

REPRESENTATIVE HOPKINS asked for clarification again that the BIF would be required to comply with the already-set forest management plan, but the FLUP would not.

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CHAIR PATKOTAK interjected and talked about the steps of the contract and asked whether one could change the plan between the BIF and the FLUP; he referred to the forest management plan "having teeth" at the BIF stage but not at the FLUP stage, and whether something that was filtered out in stage three could be re-added in stage four.

MR. DABNEY explained that the forest management plan itself provides a general plan for the area. The BIF "hones in" on a small portion of the area to determine whether or not a sale should happen, and the FLUP determines how to implement the sale.

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REPRESENTATIVE SCHRAGE referred to an earlier mention of duplicate appeals and asked whether Mr. Dabney was talking about appeals at the FLUP stage as well as the BIF stage, or appeals by multiple entities at one or more of the stages. He said that he understands that the issue of duplicate appeals was one of the reasons for justifying the changes proposed in HB 98.

MR. DABNEY answered that typically the appeals are at the BIF stage, and those can be either single or multiple entity. He said that in one case, there was a repeat appeal at the FLUP stage.

REPRESENTATIVE SCHRAGE noted that it seems that this bill wouldn't eliminate the issue of multiple appeals at the BIF stage, but it would remedy the issue of having a dissatisfied

entity appeal at the BIF stage, be denied, and then appeal again at the FLUP stage.

MR. DABNEY confirmed that HB 98 would focus the attention of the public and avoid redundant appeals, which are typical in these contracts; currently, if an appellant isn't satisfied with the result of their initial appeal, he said, they appeal at every stage.

REPRESENTATIVE SCHRAGE said that he understands that some FLUPs are prepared while others are still in progress (for other units in the same contract), and he asked whether, if all of the FLUPs were ready at the same time as the BIF, there is anything that would prevent an entity from appealing on both levels at the same time.

MR. DABNEY explained that if all of the FLUPs were included with the BIFs for the sale, then there would be just one appeal possible, which would need to cover all of the documents involved in the FLUPs and the BIF.

REPRESENTATIVE SCHRAGE asked what the limiting factor is on having the FLUPs ready for every unit at the same time rather than some prepared later in the process.

MR. DABNEY answered that a large timber sale would have multiple harvest units, and it's very difficult for the staff to have access to each unit to be able to prepare multiple FLUPs at the same time; he said that they have in the past had to use a helicopter to access the units. He said that if it's a 25-year timber sale with dozens of harvest units, it's just not practical to assess each unit prior to the contract. He said the industry would suffer under the process, and the industry prefers to have FLUPs adopted as the timber harvest progresses across the landscape and creates better and more efficient access.

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CHAIR PATKOTAK mentioned that he was planning on gaveling in public testimony, and that the bill was noticed, but there is no public testimony waiting.

He then asked Mr. Dabney to confirm his understanding that "the FLUP is going to maintain compliance with the BIF, and the BIF is going to maintain compliance with the overall [forest] management plan."

MR. DABNEY said that he believes the question was whether the FLUP "would take teeth out of the [forest] management plan," and he said the answer to the question is no.

CHAIR PATKOTAK restated his understanding and said that the purpose of HB 98 would be to strike a balance between the public's opinion and the opportunity for industry to be undertaking these projects.

MR. DABNEY said that the purpose is to refocus the decisional process at the BIF stage in order to increase the considerations at that stage.

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REPRESENTATIVE HANNAN referred to slide 7 and the ability to reconsider a long-term contract, addressing the potential for Alaskans to lose the ability to develop their own business. She opined that [it is one thing] to streamline a process, but another "to streamline and prevent anyone else from having a say in it for the next 25 years."

MR. DABNEY spoke about the BIF stage and the importance of striking a balance between local and export markets; instead of "locking up an entire forest for export," local market changes would be considered.

[2:48:03 PM](#)

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REPRESENTATIVE HANNAN referred to the shifting culture of timber, and "who's warring with who over the use of what trees." She said that it's difficult to anticipate what could develop over a 25-year contract. She said that it would be difficult for a small, local manufacturer to know its timber needs over the next 25 years, and used the hypothetical of a Tok manufacturer whose timber was eliminated in a forest fire, with the only other timber nearby already under contract for export.

MR. DABNEY replied that he understands and shares that concern, but that through this proposed legislation, the consideration of a 25-year contract would stipulate an amount of surety that Alaska has enough forest to meet all of the needs, rather than tying up all of the available timber.

[2:51:40 PM](#)

REPRESENTATIVE SCHRAGE asked whether the state could limit the duration or time period of the appeals at various levels.

MR. DABNEY said that he doesn't have a good answer for that, but that as far as appeals go, HB 98 would "minimize any opportunities for a second bite of the apple."

[2:54:46 PM](#)

MR. DABNEY followed up with the concern about 25-year timber sales, and said that the term of 10 years is more likely. He then resumed the PowerPoint presentation with slide 28 and 29, which read as follows [original punctuation provided]:

Sections 7-8

Section 7 - Consolidates all negotiated sale authority.

Section 8 - Allows one large timber sale (500,000 board feet)/purchaser/year.

Sections 9-13

Section 9 - Allows timber sales to be negotiated for local manufacture of both high-value-added and low-value-added wood products.

Section 10 - Deletes requirement that negotiated timber sales must include contract terms limiting the sale to the amount of timber the commissioner determines to be the maximum amount that could be commercially practical to harvest.

Section 11 - Clarifies negotiated timber sales for personal use.

Section 12 - Consolidates negotiated sale authorities.

Section 13 - Establishes an immediate effective date.

[2:57:42 PM](#)

CHAIR PATKOTAK opened public testimony on HB 98.

[2:58:14 PM](#)

Deputy Commissioner Goodrum said that he appreciated the opportunity to share HB 98 with the committee.

2:58:33 PM

CHAIR PATKOTAK, after ascertaining that no one was waiting to testify, closed public testimony on HB 98.

3:00:18 PM

**ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 3:00 p.m.