

SENATE FINANCE COMMITTEE

May 3, 2022

9:03 a.m.

[9:03:31 AM](#)

CALL TO ORDER

Co-Chair Bishop called the Senate Finance Committee meeting to order at 9:03 a.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair  
Senator Bert Stedman, Co-Chair  
Senator Lyman Hoffman  
Senator Donny Olson  
Senator Bill Wielechowski  
Senator David Wilson

MEMBERS ABSENT

Senator Natasha von Imhof

ALSO PRESENT

Representative Geran Tarr, Sponsor; Thatcher Brouwer, Staff, Representative Geran Tarr; Intimayo Harbison, Staff, Senator Josh Revak; Helge Eng, Director, Division of Forestry, Department of Natural Resources.

PRESENT VIA TELECONFERENCE

Dayna Mackey, Administrative Services Director, Department of Fish and Game, Office of Management and Budget, Juneau; Tammy Davis, Invasive Species Coordinator, Department of Fish and Game, Juneau; Danielle Verna, Prince William Sound Regional Citizens Advisory Council, Valdez; Lisa Kaaihue, Cook Inlet Aquaculture Association, Kenai; David Martin, Self, Clam Gulch; Paul Shadura, Self, Kalifornsky; Christy Colles, Chief of Operations, Division of Mining Land and Water, Anchorage; Peter Buist, Self, Fairbanks; Randall Zarnke, President, Alaska Trappers Association, Fairbanks; Al Barrette, Self, Fairbanks; Jessica Plachta, Executive Director, Lynn Canal Conservation, Haines; Esther Gonzalez, Self, California; Matt Jackson, Self, Sitka.

SUMMARY

SB 85 FOREST LAND USE PLANS; TIMBER SALES

SB 85 was HEARD and HELD in committee for further consideration.

SB 230 TRAPPING CABINS: FEE FOR CONSTRUCTION

SB 230 was HEARD and HELD in committee for further consideration.

CSHB 54 (FIN)

INVASIVE SPECIES MANAGEMENT

CSHB 54 (FIN) was HEARD and HELD in committee for further consideration.

#hb54

CS FOR HOUSE BILL NO. 54 (FIN)

"An Act establishing the Alaska Invasive Species Council in the Department of Fish and Game; relating to management of invasive species; relating to invasive species management decals; and providing for an effective date."

[9:04:38 AM](#)

REPRESENTATIVE GERAN TARR, SPONSOR, introduced herself.

THATCHER BROUWER, STAFF, REPRESENTATIVE GERAN TARR, introduced himself.

[9:04:59 AM](#)

Representative Tarr explained the bill. She noted the invasive species issues faced by the respective districts of all members at the table. She thought that the bill would have a positive impact on all areas of the state. She discussed the brief history of the bill. She thought that Alaska was uniquely positioned to establish the Alaska Invasive Species Council as a mean of early intervention to save expense and resource devastation. She spoke of efforts to protect certain areas of the state by known invasive species, both land and water, and the various stakeholder groups working to manage invasive species in the state.

[9:11:43 AM](#)

Representative Tarr continued to discuss the legislation.

[9:12:34 AM](#)

Co-Chair Bishop understood that the surcharge for boats had been conceptual.

[9:12:43 AM](#)

Representative Tarr replied in the affirmative.

[9:13:14 AM](#)

Senator Olson understood that the intent of the bill was to establish a council that would put forth recommendations for regulations to the department for consideration.

[9:13:34 AM](#)

Representative Tarr replied in the affirmative. She added that the council would provide a strategic plan that outlined specific steps the state could take to limit vulnerability to invasive species.

[9:14:33 AM](#)

Senator Wielechowski appreciated the intent of the legislation. He wondered whether the bill pertained to invasive species introduced by humans or invasive species that made their way to Alaska due to climate change.

[9:15:00 AM](#)

Representative Tarr replied that the bill pertained to both. She expounded on potential vectors associated with Arctic shipping.

[9:17:36 AM](#)

Senator Wilson noted the fiscal note attached to the bill. He relayed that the projected spend was \$100,000 in the first year and \$64,000 in outgoing years. He added that the expected revenue was \$4,000, which meant the remainder would come from undesignated general funds (UGF).

[9:17:55 AM](#)

Representative Tarr cited intent language at the beginning of the bill. She said that it was important that additional UGF dollars not be added and that there was funding outside of UGF dollars that could be sought to fund the council. She thought that a representative from the department could better speak to the matter.

[9:19:16 AM](#)

Senator Wilson asked how much the department currently spent combating invasive species.

[9:20:08 AM](#)

DAYNA MACKEY, ADMINISTRATIVE SERVICES DIRECTOR, DEPARTMENT OF FISH AND GAME, OFFICE OF MANAGEMENT AND BUDGET, JUNEAU (via teleconference), introduced herself. She asked Senator Wilson to repeat his question.

[9:20:28 AM](#)

Senator Wilson asked how the bill would be funded in the outgoing years.

[9:20:33 AM](#)

Ms. Mackey explained that there was not current federal funding for the bill, which meant that it would be funded with UGF dollars. She added that it was expected that other funding would be identified.

[9:21:03 AM](#)

Senator Wilson asked how much the department spent combating invasive species on an annual basis.

[9:21:16 AM](#)

TAMMY DAVIS, INVASIVE SPECIES COORDINATOR, DEPARTMENT OF FISH AND GAME, JUNEAU (via teleconference), agreed to provide that information.

[9:21:43 AM](#)

Co-Chair Stedman asked whether Dingell-Johnson Act funds qualified for use for the invasive species issue

[9:22:01 AM](#)

Representative Tarr replied understood that Dingell-Johnson Act funds could be used. She thought that a follow up with the department on the matter would be beneficial

[9:22:33 AM](#)

Co-Chair Stedman remarked that there was a significant number of members on the board and the fiscal note did not account for per diem or travel. He wondered how a diverse board that represented broadly around the state could be maintained without considering travel expenses for board members, particularly those that did not live on the road system.

[9:23:13 AM](#)

Representative Tarr mentioned remote participation. She thought that there could be a combination of in-person and remote participation.

[9:25:17 AM](#)

Co-Chair Stedman asked whether the sponsor would support an amendment to locate the council at the Sitka Sound Science Center on the Gulf of Alaska. He suggested those on the Railbelt could attend remotely.

[9:25:42 AM](#)

Representative Tarr had not considered that placement but thought that it was a possibility. She noted that the fiscal note suggested the need for some administrative support.

[9:26:36 AM](#)

Co-Chair Stedman thought the location was a serious point to consider. He asserted that the Sitka Sound Science Center experience with the issue of invasive species and other marine issues. He added that marine research should be conducted on the coast, where the fish were.

[9:27:27 AM](#)

Representative Tarr stated that she had served on a council with a modest travel budget, which had afforded her the ability to travel to remote places. She said she would consider the location amendment amicably.

[9:28:31 AM](#)

Senator Wielechowski read from a Letter from the Cook Inlet Aquaculture Association (copy on file):

Unfortunately, due to permitting delays, an elodea infestation in Alexander Lake in the Mat-Su spread from 10 acres in 2014 to over 500 acres by 2016. The cost for treatment has grown from less than \$15,000 to over \$1 million because of this delay, funding the State of Alaska has had to seek through grants and other sources. This two-year delay also allowed for the spread of elodea into neighboring lakes, putting more environments and resources at risk.

Recent research by UAA's Institute of Social and Economic Research showed that elodea can significantly threaten Alaska salmon. The odds for Alaska salmon in elodea-infested habitats to not exist beyond 20 years from now are 4 to 1. That is an 80% probability of extirpation. It was estimated that elodea could potentially cost the commercial sockeye salmon fishing industry \$159 million per year in damages should it go unmanaged. Alaska needs a council to ensure permitting, planning, coordination, and resources are available to address existing and emerging threats such as elodea.

Senator Wielechowski asked whether the sponsor had looked into the research cited in the letter.

[9:29:46 AM](#)

Representative Tarr replied in the affirmative. She explained that the Institute of Social and Economic Research (ISER) study (copy on file) showed concerning numbers. She said that several of the supporting documents included vulnerability studies and research maps that showed where watercraft from the Lower 48 were coming from with known infestations of invasive species. She expressed

a significant concern for Zebra Mussels and Green Crab infestations.

[9:31:51 AM](#)

Senator Wilson asked whether the bill would address invasive species outside of the water. He asked about the fund established by the bill and wondered whether the fund should be outside of the general fund for better protection from lapsing.

[9:32:36 AM](#)

Representative Tarr explained that the idea was that having the fund available would allow for immediate action to be taken on an infestation.

[9:33:56 AM](#)

Senator Wilson expressed concern that the fund could be swept and thought an amendment should be crafted to assure that the funds did not lapse.

[9:34:26 AM](#)

Senator Wielechowski cited a letter from the Alaska Invasive Species Partnership (copy on file):

In the spring of 2021, invasive zebra mussels were found in Alaska attached to aquatic plants sold as "moss balls" by retailers statewide. The concern was that live zebra mussels attached to moss balls could be released into waterways when unwanted aquarium pets and plants are dumped, causing significant damage to our fisheries and infrastructure.

Senator Wielechowski wondered whether the council could make recommendations to the legislature concerning moss balls and the like.

[9:35:19 AM](#)

Representative Tarr replied in the affirmative. She cited Page 5, line 9 of the legislation:

(g) By January 15 of each odd-numbered year, the council shall prepare and present to the legislature

an updated five-year strategic plan that addresses the economic effects of invasive species, states the council's suggested priorities for addressing invasive species, and recommends legislation and funding required to implement the council's priorities. The council shall transmit the plan to the senate secretary and the chief clerk of the house of representatives and notify the legislature that the strategic plan is available.

[9:36:14 AM](#)

Co-Chair Bishop thought that the sponsor could focus on the boarder crossing in Tok and whether there would be an inspection station for incoming vehicles.

[9:36:55 AM](#)

Representative Tarr replied in the affirmative. She said that the project was just beginning but that the hope was that inspections for invasive species would improve at border stations.

[9:37:32 AM](#)

Co-Chair Bishop asked whether the bill considered invasive species on land.

[9:37:54 AM](#)

Representative Tarr replied that currently the Department of Natural Resources was tracking terrestrials and the Department of Fish and Game was handling aquatic invasives. She noted that occasionally they overlapped as was the case with Elodea, which was an aquatic plant. She said that jurisdictions could often be questioned, and that the council would work to provide clarity on the matter.

[9:39:01 AM](#)

Mr. Brouwer discussed the Sectional Analysis (copy on file):

**Section One**

Adds a new section to uncodified law that states it is the intent of the legislature that the Department of Fish and Game does not use money from the state's general fund to support the Alaska Invasive Species

Council, and instead finds other sources of funding to support the council.

**Section Two**

Section 16.20.800 establishes the invasive species management decals. The decals will be produced by the Department of Fish and Game annually and made available for sale to the public. The fee for the decal will be determined by the Alaska Invasive Species Council and set in regulation. The department will work in conjunction with the Alaska Invasive Species Council described in Sec. 16.20.810 to design and produce the decals. The legislature may then appropriate the proceeds from the sale of the decals to further produce the decals or to the invasive species response fund described in Sec. 16.20.820, to carry out the work of invasive species response.

Section 16.20.810 establishes the Alaska Invasive Species Council in the Department of Fish and Game. The council will be comprised of representatives from the Departments of Fish and Game, Natural Resources, Environmental Conservation and Transportation and Public Facilities. Furthermore, the council will have members from stakeholder organizations and industries appointed by the governor to three-year terms, as well as representatives from federal agencies that deal with invasive species. There will also be two members from the House of Representatives and two members from the Senate.

Additionally, Section 16.20.810 outlines the responsibilities of the council. This section requires that the council be responsible for facilitating cooperation between state, federal, tribal, local agencies, and nongovernmental organizations in the management of invasive species. The council will be tasked with recommending coordinated interagency strategies and policies related to the management of invasive species. The council will also provide guidance on how to prioritize the response to invasive species and how to best use funds from the invasive species response fund. Lastly, the council will be responsible for selecting designers of the invasive species control decals and approving and promoting the designs.

Furthermore, Section 16.20.810 provides guidance on council meetings and deliverables. The council will meet at least once a year, and by January 15th of each odd-numbered year, the council shall produce a plan that addresses the economic impact of invasive species and recommends legislation and funding to implement the council's priorities.

Section 16.20.820 establishes an invasive species response fund in the general fund and allows the department to use the funds to prevent, control, or eradicate invasive species.

Section 16.20.850 defines commissioner, council, department, invasive species, management of invasive species and non-native species.

**Section Three**

Section 37.05.146 adds the invasive species decal fee to the list of separately accounted program receipts.

**Section Four**

Adds a July 1, 2029, sunset date all the sections in the bill.

**Section Five**

Gives direction to the governor regarding the appointment of the members, chair, as well as timing and number of meetings in the initial year.

**Section Six**

Establishes an immediate effective date.

[9:42:35 AM](#)

Representative Tarr explained that the sunset date was added in the other body. She said that she agreed to the sunset because it would allow for an evaluation of the work of the council.

[9:44:15 AM](#)

DANIELLE VERNA, PRINCE WILLIAM SOUND REGIONAL CITIZENS ADVISORY COUNCIL, VALDEZ (via teleconference), spoke in support of the legislation. She believed that the council would be beneficial to the state by creating coordinated strategies between stakeholders. She similar council were

already working in Washington and Oregon. She thought that monitoring invasive species in the state was important and discussed the ways that invasive species were transported to the state's land and waters. She encouraged the committee to consider the benefit of invasive species prevention.

[9:49:11 AM](#)

Co-Chair Bishop OPENED public testimony.

[9:49:32 AM](#)

LISA KAAIHUE, COOK INLET AQUACULTURE ASSOCIATION, KENAI (via teleconference), testified in support of the bill. She spoke of the affects of invasive species on the salmon population. She believed the establishment of a council and response fund was critical to dealing with the issue of invasive species in the state.

[9:51:32 AM](#)

DAVID MARTIN, SELF, CLAM GULCH (via teleconference), spoke in support of the legislation. He said that the council would not only help to develop plans to eradicate invasive species in the stat but would also educate the public. He spoke of the various illls of invasive species in the state both on land and in water.

[9:53:47 AM](#)

PAUL SHADURA, SELF, KALIFORNSKY (via teleconference), testified in support of the legislation. He stated that he was a commercial fisherman, so he understood the issues related to invasive species. He spoke of various action taken on the issue at the federal level.

Co-Chair Bishop CLOSED public testimony.

HB 54 was HEARD and HELD in committee for further consideration.

#sb230

SENATE BILL NO. 230

"An Act establishing a \$25 fee to construct or use a trapping cabin on state land; and exempting trapping cabin permittees from additional land use fees."

[9:58:03 AM](#)

INTIMAYO HARBISON, STAFF, SENATOR JOSH REVAK, introduced the legislation. He said that the bill dealt with issues currently surrounding the Trapping Cabin Permit Program (TCP). He stated that one such issue was the department's inability to reissue permits for already constructed trapping cabins under the TCP program, which resulted in those cabins being reauthorized under land-use permits, or other permits, which came with higher costs and fees. He stated that the bill contained input from relevant stakeholders and the department and was intended to resolve many issues currently facing Alaska trappers and trapping cabin permits. He relayed that the bill would resolve the issue of trapping cabin permits being issued as other permits and required the department to issue trapping cabin permits under TCP. He related that the bill would limit the application fee to \$100 and raised the fee for the use of the land from \$10 to \$25, per year of the permit.

Senator Wielechowski asked how many trapping cabins in the state were under the program.

Mr. Harbison deferred to the department.

[9:59:49 AM](#)

CHRISTY COLLES, CHIEF OF OPERATIONS, DIVISION OF MINING LAND AND WATER, ANCHORAGE (via teleconference), replied that there were 97 currently under the program in the state.

[10:00:14 AM](#)

Senator Wielechowski wondered how the program worked.

[10:00:27 AM](#)

Ms. Colles explained that the two statutes were developed in the 1980s. One pertaining to an existing cabin, with very strict requirements to meet the stature; if the existing cabin was on state land the user had to provide proof that it was being used regularly before August 1,

1984, that the cabin was being used to provide temporary shelter and provide proof of ownership. She shared that the 1984 date was the current problem with addressing existing cabins. She relayed that the other statute required trappers to apply for a shelter under regulations; the trapper must show that they have a DF&G trapping license, receipts of fur sales, and show on a map where the trapline is noticed. She stressed that that the cabin could only be used for trapping purposes.

Senator Wielechowski assumed that the cabins were built by trappers and were maintained without using state resources.

Ms. Colles agreed. The cabins had all been built by trappers, or if a cabin had been abandoned, individual trappers could use the cabin. She asserted that none of the cabins had been built, or were maintained, using state resources.

[10:03:06 AM](#)

Senator Wilson referenced the fiscal note showing a reduction of 20 percent in the fee for. He asked for the reasoning and impact.

Ms. Colles responded there was a director order in a large regulation package passed in 2018, which allowed for a reduction in set fees by 20 percent. Currently the fees were reduced by 20 percent, which would allow the department to increase fees overtime without having to go through the entire regulation process.

Senator Wilson observed that the division would not necessarily collect the fees in advance. He asked about the fee collection process.

Ms. Colles answered that the program in statute has a \$10 fee to be collected annually. She said that the new bill repealed the old statute and set the fees at \$100 per application, \$25 per year. She thought this would give trappers the ability to pay the \$250 for the ten-year authorization up front, or they could pay it annually. She said that the department was more flexible with the trapping fees due to the low amount of the fees.

[10:06:08 AM](#)

Senator Wielechowski asked for the general trapping season in Alaska.

Ms. Colles answered that it was typically in the winter, but it was not her expertise.

Co-Chair Bishop noted that it was typically November to April.

Senator Wielechowski asked whether the cabins were used in the summer months.

Ms. Colles answered that the cabins were only to be used for trapping purposes. She said that some trappers might conduct maintenance or bring supplies to cabins in the off-season.

[10:07:34 AM](#)

Senator Wielechowski asked for verification that each cabin could only be used by one family.

Ms. Colles answered that multiple individuals could be authorized for one cabin. There was cleanup language in the bill that gave more direction to the department on authorization of multiple users. She stated that multiple permits could be issued for one cabin.

Senator Wielechowski remarked on the shortage of cabins in Alaska. He stated that getting a cabin in the Southcentral in the summer was very difficult. He asked whether there had been discussion about using the cabins for the general public in the summer.

Ms. Colles answered in the negative. She explained that the state did not want to become liable for the maintenance of the cabins. She noted that most owners left the cabins unlocked for use in an emergency. She added that the cabins were often located in very remote areas.

Senator Wielechowski asked whether trappers could store personal goods in the cabins.

Ms. Colles answered that there were no restrictions on what people could store in the cabins.

Senator Wielechowski provided a scenario where one of the cabins was in disrepair. He asked whether the state was responsible for the cleanup.

[10:10:25 AM](#)

Ms. Colles replied that it would be expected that the owner would be responsible for any clean up.

Senator Wielechowski asked for a map showing the location of the cabins across the state.

Ms. Colles answered affirmatively.

Co-Chair Bishop asked for the number of cabins that were pre-statehood.

Ms. Colles agreed to provide the information.

Senator Wilson asked for the delinquency rate for payment associated with the cabins.

Ms. Colles responded that she would follow up with the information.

Senator Wilson asked how long a person could stay in one of the cabins.

Ms. Colles answered that there were requirements disallowing individuals to stay at the cabins through moose hunting season. She noted the cabins were really used for shelter and not for living in long-term. She noted that they were not over 400 square feet. Secondary cabins could not exceed 192 square feet. The preference was use as temporary shelter for trapping activities.

[10:13:24 AM](#)

Senator Wilson observed it appeared some of the cabins could be lived in year-round. He asked whether the department surveyed the cabins for inspection.

Ms. Colles reiterated that the cabins were very remote, and it could cost the department to go out to look at them. She recognized the cabin referenced by Senator Wilson and noted that it was one of the very few of questionable size. She

said that bi-annual evidence of continued trapping use and photos of the cabin were required to maintain the permit.

[10:15:10 AM](#)

Co-Chair Bishop asked for a review of the sectional analysis.

[10:15:50 AM](#)

Mr. Harbison discussed the Sectional Analysis (copy on file):

**Sec 1.**

Defines that the director of the department may issue a permit under this section and clarifies what restrictions as well as types of lands are available.

**Sec 2.**

States that the commissioner may issue a permit for a trapping cabin.

**Sec 3.**

Clarifies who qualifies for a trapping cabin permit and the requirements they must meet.

**Sec 4.**

Defines that a permit is valid for a period of 10 years and that fees may not exceed \$100 per application and \$25 per year of the permit.

**Sec 5.**

States that the State of Alaska is not disposing of the land issued under this section.

**Sec 6.**

Clarifies that multiple permits can be issued for a Trapping cabin if the original permit holder and subsequent permit holders agree. Further clarifies that the Department may not charge additional fees under this section.

**Sec 7.**

Clarifies definitions.

**Sec 8.**

Repeals AS 38.95.075, the old Trapping Cabin Construction Permit Program.

[10:16:41 AM](#)

Senator Wilson asked about abandoned cabins and who would be responsible for removal of the cabin.

[10:17:13 AM](#)

Ms. Colles stated that if an individual left a cabin on state land the department would pursue the individual. She said that there had been occasions where the department had removed cabins that were beyond repair. She said that sometimes cabins were given to DF&G.

[10:18:01 AM](#)

Senator Wielechowski asked how many times the state had disposed of cabins and what was the cost to the state.

Ms. Colles replied that in 15 years she was not aware of any cabins removed by the state. She offered to provide more information.

[10:18:48 AM](#)

Senator Wilson asked how illegal cabins were dealt with.

[10:19:18 AM](#)

Ms. Colles agreed to provide that information.

[10:20:01 AM](#)

Senator Wielechowski asked whether the department had similar programs for fishing or hunting.

Ms. Colles replied that the only other program was the personal use cabin program that was for existing cabins back in the 1980s. She said that commercial hunting or fishing cabins were available but had to be used for commercial purposes.

[10:21:01 AM](#)

Senator Wielechowski thought that the 97 trapper cabins could be used by others outside of trapping season.

Co-Chair Bishop wondered how many of the 97 cabins were accessible in the summer without the use of a float plane or helicopter.

Ms. Colles agreed to provide the information.

[10:21:55 AM](#)

Co-Chair Bishop OPENED public testimony.

[10:22:29 AM](#)

PETER BUIST, SELF, FAIRBANKS (via teleconference), testified in support of the legislation. He noted that he helped to draft the original legislation and regulation elated to trapping cabins. He thought that the legislation would bring fee stability and establish a path for families to pass on trapping traditions.

[10:24:37 AM](#)

RANDALL ZARNKE, PRESIDENT, ALASKA TRAPPERS ASSOCIATION, FAIRBANKS (via teleconference), spoke in support of the legislation. He thought that the legislation would help with the simple survival of trappers during the season. He believed the bill balanced rural and urban interests. He thought that the bill provided strong statutory sideboards and would help to protect trapping traditions.

[10:26:31 AM](#)

AL BARRETTE, SELF, FAIRBANKS (via teleconference), spoke in support of the bill. He believed that the legislation kept fees reasonable and would allow for the continuation of traditional knowledge within families and communities.

Co-Chair Bishop CLOSED public testimony.

SB 230 was HEARD and HELD in committee for further consideration.

[10:28:48 AM](#)

AT EASE

[10:32:45 AM](#)

RECONVENED

#sb85

SENATE BILL NO. 85

"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."

10:33:10 AM

HELGE ENG, DIRECTOR, DIVISION OF FORESTRY, DEPARTMENT OF NATURAL RESOURCES, discussed the presentation, "SB 85: Forest Land Use Plans, Negotiated Timber Sales: Senate Finance Committee" (copy on file). He began with slide 1:

Overview of Presentation

I. SE Alaska timber industry is struggling to survive

II. How to protect timber jobs?

1. Change negotiated timber sale statutes to allow local industry to sell all the timber it harvests, as export if needed.

2. Provide contractual certainty: stable and predictable supply of timber once a timber sale has been purchased.

III. Sectional Analysis

Mr. Eng pointed to slide 2, "The timber industry in Southeast Alaska is struggling to survive":

A dwindling supply of timber from the US Forest Service has gutted the timber industry in Southeast Alaska.

SE Alaska supports only 325 timber industry jobs today, compared to 4,000 jobs in the 1990s. Now, even those jobs are in danger.

Mr. Eng looked at slide 3, "Negotiated & competitive timber sales":

- Negotiated sales: DOF may choose a timber purchaser not only based on the price, but also on the number of local jobs the sale provides. Negotiated sales currently may not be exported as round logs.

- Competitive sales: the highest auction bidder wins. Timber from competitive sales may be exported.

Mr. Eng pointed to slide 5, "How can we provide and protect jobs?"

Step 1. Change negotiated timber sale statutes to allow local industry to sell all the timber it harvests, as export if needed.

Currently, negotiated timber sales must be sold for local manufacture, not export.

- A changing timber supply (more young growth) means that some sizes of timber are not marketable in Alaska.
- Demand for certain species (e.g., hemlock) is only overseas or in the Pacific Northwest.

Mr. Eng addressed slide 6, "How can we provide and protect jobs?"

Step 2. Once a timber sale has been purchased, provide a stable and predictable supply of timber to the operator by providing contractual certainty

Mr. Eng highlighted slide 7, "Stable Timber Supply":

An appeal can halt harvesting, which can be disastrous to a logging company.

SB 85 ensures that once the decision has been made to sell the timber, no further administrative appeals can occur.

Input would still be gathered from public and agencies.

Mr. Eng looked at slide 8, "Steps in a Timber Sale":

Public and agency comment gathered at each step.

1. Area Plans\* & State Forest Plans\*
2. Five-Year Schedule of Timber Sales
3. Best Interest Finding\*
4. Forest Land Use Plans\*

\*Subject to appeal

Mr. Eng addressed slide 9, "Safeguards on timber harvests":

Timber harvests must adhere to the Alaska Forest Resources and Practices Act (FRPA, AS 41.17), which:

- protects fish habitat and water quality, and
- ensures prompt reforestation.

Mr. Eng pointed to slide 10, "SB 85 has a zero fiscal note."

[10:37:24 AM](#)

Mr. Eng addressed slide 12, "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 requirement.

Mr. Eng discussed slide 13, "Section 2":

- Expands from 10 acres to 20 acres the size of timber harvests exempt from needing a Forest Land Use Plan.
- Requires a Forest Land Use Plan to be adopted before harvest.
- Allows a single Forest Land Use Plan to authorize timber harvest for multiple harvest units in a timber sale contract.
- Allows DNR to award a timber sale contract before adopting a Forest Land Use Plan.

Mr. Eng highlighted slide 14, "Sections 3 & 4":

Section 3 - Forest Land Use Plans may not be appealed.  
Section 4 - Removes negotiated timber sales from AS 38.05.115; moved to AS 38.05.118 (see Section 7 and 8).

Mr. Eng pointed to slide 15, "Section 5":

Adds new subsection to AS 38.05.115(d) requiring best interest findings to consider whether the timber sale buyer will:

- hire Alaska residents,
- contract with Alaskan businesses,
- use or establish Alaskan hiring facilities, job centers, or internet job systems.

[10:39:11 AM](#)

Co-Chair Bishop asked where the language in Section 5 originated.

[10:39:14 AM](#)

Mr. Eng replied that the language was added in an amendment from the other body.

[10:39:24 AM](#)

Co-Chair Bishop appreciated the language.

[10:39:43 AM](#)

Mr. Eng noted that the commissioner already had the opportunity to consider criteria.

[10:39:51 AM](#)

Mr. Eng addressed slide 16, "Section 6":

Local manufacture of wood is not required for negotiated timber sales.

Mr. Eng pointed to slide 17, "Sections 7-8":

Section 7 - AS 38.05.115 negotiated timber sales are now consolidated in AS 38.05.118.

Section 8 - Consolidates another provision from AS 38.05.115 into AS 38.05.118.

Mr. Eng discussed slide 18, "Sections 9-10":

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

Mr. Eng highlighted slide 19, "Sections 11-13":

Section 11 - A conforming amendment due to the consolidation of negotiated timber sales in AS 38.05.118.

Section 12 - Because of the consolidation of the negotiated sales provisions in AS 38.05.118, both AS

38.05.115(b) and (c) are unnecessary. AS 38.05.123(e) is repealed due to the amendments in Section 2 and thus to avoid redundancy. AS 38.05.123(g) is repealed because DOF has not used it for .123 timber sales.

Section 13 - Establishes an immediate effective date.

[10:41:14 AM](#)

Co-Chair Bishop OPENED public testimony.

[10:41:35 AM](#)

JESSICA PLACHTA, EXECUTIVE DIRECTOR, LYNN CANAL CONSERVATION, HAINES (via teleconference), spoke in opposition to the legislation. She believed that the state's forest laws should be strengthened and not weakened. She expressed concern that the public comment opportunity was being removed from the process, thereby putting communities at risk. She lamented that loggers would suffer as their livelihoods were sold and exported. local communities would lose their say over the landscapes they depended on for their economies, recreation, and subsistence.

[10:43:45 AM](#)

ESTHER GONZALEZ, SELF, CALIFORNIA (via teleconference), testified against the legislation.

[10:45:15 AM](#)

MATT JACKSON, SELF, SITKA (via teleconference), spoke in opposition to the bill. He thought that the bill would harm the state's ability to develop local value-added markets. He thought that the bill made too many exemptions as to when best interest finding should be considered. He thought that the criteria for local value-adding and local economic impact and the best interest findings should be applied to timber sales of any size. He opposed any exemptions to the best interest findings. He disagreed with the removal of the public comment period after the land use plan was issued, which he qualified as contrary to the public process. He strongly encouraged a no vote from the committee.

[10:47:39 AM](#)

Co-Chair Bishop CLOSED public testimony.

SB 85 was HEARD and HELD in committee for further consideration.

Co-Chair Bishop discussed housekeeping.

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ADJOURNMENT

10:48:22 AM

The meeting was adjourned at 10:48 a.m.