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Referred: Resources,
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6-0749A

1 IN THE HOUSE

BY MENARD AND LARSON
BY REQUEST

2

HOUSE BILL NO. 205

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6 For an Act entitled: "An Act relating to forest stewardship agreements."

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 * Section 1. LEGISLATIVE FINDINGS. The legislature finds that it is
9 the public interest that

10 (1) the natural resources associated with woodland biomes in the
11 state be protected and enhanced while making the resources available for
12 maximum sustained use consistent with the public interest;

13 (2) the financial burden of administering forest land in the
14 state be shifted, as much as is prudent, to the private sector; and

15 (3) the best means to gain these ends is a forest stewardship
16 agreement with a concessionaire in which private persons apply scientific
17 management techniques to state forest resources in the public interest.

18 * Sec. 2. AS 41.17 is amended by adding new sections to read:

19 Sec. 41.17.092. FOREST STEWARDSHIP AGREEMENTS. (a) The commis-
20 sioner may enter into a forest stewardship agreement with a person
21 doing business in the state for the purpose of protecting, enhancing,
22 and using the natural resources of the state.

23 (b) The commissioner may enter into a forest stewardship agree-
24 ment on any forest land of the state except where prohibited by law.
25 If the forest stewardship agreement includes land not managed by the
26 commissioner, the forest stewardship agreement is subject to the
27 approval of the commissioner or of the governing board of the agency
28 of the state that manages the land.

29 (c) The term of a forest stewardship agreement is 20 years. The

1 commissioner shall review the performance of the concessionaire under
2 the agreement each five years and, if the concessionaire has performed
3 faithfully under the agreement, the commissioner shall extend the
4 agreement an additional five years.

5 (d) The commissioner shall establish the boundaries and areas
6 and the terms of the forest stewardship agreement. The commissioner
7 shall establish conditions in the agreement that are not less strin-
8 gent than the current best forest management practices for the area of
9 the state subject to the agreement.

10 (e) The forest stewardship agreement must contain a minimum
11 stumpage value for severed timber for the initial five-year period and
12 a method for determining the minimum stumpage value for subsequent
13 five-year periods. The forest stewardship agreement must require the
14 concessionaire to compensate the state for timber and other valuable
15 resources removed from the land under the agreement. The commissioner
16 may grant the concessionaire stumpage credit for expenses incurred by
17 the concessionaire for improvements accruing to the land beyond the
18 needs of the concessionaire.

19 (f) The commissioner shall establish in the forest stewardship
20 agreement an initial five-year allowable timber harvest volume that
21 shall be determined from the current official forest quality and
22 quantity inventory. The commissioner may not determine the allowable
23 harvest in a forest stewardship agreement solely by the even flow
24 method. The commissioner may not permit the timber harvest in any one
25 year under a forest stewardship agreement to be in excess of five
26 times the annual allowable timber harvest under the agreement. The
27 commissioner may not permit the timber harvest in any five-year period
28 under a forest stewardship agreement to be in excess of five times the
29 annual allowable timber harvest under the agreement.

1 (g) The commissioner shall review and approve annually the
2 forest stewardship and area transportation plans for the following
3 year, for the following five years, and for the remaining term of the
4 forest stewardship agreement. The plans required by this subsection
5 must be consistent with the 20-year master plan approved by the com-
6 missioner at the approval of the forest stewardship agreement except
7 as the commissioner amends the annual, five-year and 20-year plans
8 during an annual review.

9 (h) The commissioner shall review and may amend the annual
10 allowable timber harvest during each five-year period of the forest
11 stewardship agreement. The commissioner and the concessionaire shall
12 undertake a cooperative inventory of timber growth during the fourth
13 year of each five-year period of the forest stewardship agreement.

14 (i) The commissioner shall set aside no less than 20 percent of
15 the land subject to a forest stewardship agreement for harvesting by
16 persons other than the concessionaire. The commissioner shall make
17 timber available through competitive bidding for a period of five
18 years or less and the concessionaire may not bid on the disposal
19 except that if the timber is not sold at competitive bid, the commis-
20 sioner may make the timber available to the concessionaire under the
21 forest stewardship agreement. The commissioner shall establish proce-
22 dures for reimbursement to the concessionaire of the costs of improve-
23 ments on land made available to others where the improvements are used
24 by and useful to the other person.

25 (j) A forest stewardship agreement shall permit public use of
26 the state land involved in the agreement except that the commissioner
27 may limit access to an area that is being harvested or where hazardous
28 conditions exist.

29 (k) The commissioner shall include within the forest stewardship

1 agreement provisions regarding the default of the concessionaire and
2 termination of the agreement. The commissioner may require that the
3 agreement contain provisions for the arbitration of disputes.

4 Sec. 41.17.094. OFFER OF FOREST STEWARDSHIP AGREEMENTS. The
5 commissioner may invite proposals for the disposal of timber on land
6 under a forest stewardship agreement. The commissioner shall also
7 prepare a list of areas where it is in the public interest that forest
8 stewardship agreements be offered.

9 Sec. 41.17.096. SELECTION OF CONCESSIONAIRE. (a) In the award
10 of a forest stewardship agreement to a concessionaire, the commis-
11 sioner shall consider

12 (1) the forest stewardship plan submitted by the applicant;

13 (2) the timber stumpage and other resource payments offered
14 by the applicant;

15 (3) the investment in plants and facilities proposed by the
16 applicant;

17 (4) the resource use standards offered by the applicant;

18 (5) the number of positions, their value, and the quality
19 of the employment offered by the applicant;

20 (6) the experience of the applicant;

21 (7) the response by the applicant to the invitation by the
22 commissioner for road construction, reforestation, and recreational
23 facilities;

24 (8) other items requested by the commissioner or offered by
25 the applicant.

26 (b) The Board of Forestry shall review the applications submit-
27 ted to the commissioner under (a) of this section and shall rank them
28 according to standards established by the commissioner. The commis-
29 sioner may negotiate a forest stewardship agreement with a person

1 determined to have made an offer that is in the best interest of the
2 state to accept.

3 (c) Only one forest stewardship agreement for a particular tract
4 of land may be in effect at one time.

5 (d) The commissioner may negotiate a forest stewardship agree-
6 ment that is a portion of a cooperative resource management and devel-
7 opment agreement with the federal government, an agency of the state,
8 a municipality, or a person.