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Referred: Resources and Finance

6-1230A

1 IN THE SENATE

BY COGHILL

2

SENATE BILL NO. 321

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 41.17.047 is amended to read:

19 Sec. 41.17.047. POWERS AND DUTIES OF BOARD. The board shall
20 review and comment to the commissioner on regulations proposed for
21 adoption under this chapter. The board shall [ALSO] report to the
22 legislature its recommendations for changes in the provisions of this
23 chapter and its comments on the regulations adopted by the commis-
24 sioner under this chapter. The board shall review and comment to the
25 commissioner on applications submitted to the commissioner under
26 AS 41.17.096. The board [IT] may also review and advise the legisla-
27 ture on the activities of the division.

28 * Sec. 3. AS 41.17 is amended by adding new sections to read:

29 Sec. 41.17.092. FOREST STEWARDSHIP AGREEMENTS. (a) The commis-

1 sioner may enter into a forest stewardship agreement with a person
2 doing business in the state for the purpose of protecting, enhancing,
3 and using the natural resources of the state. A forest stewardship
4 agreement shall be based on the sustained yield principle.

5 (b) The commissioner may enter into a forest stewardship agree-
6 ment on any forest land of the state except where prohibited by law.
7 If the forest stewardship agreement includes land not managed by the
8 commissioner, the forest stewardship agreement is subject to the
9 approval of the commissioner or of the governing board of the agency
10 of the state that manages the land.

11 (c) The term of a forest stewardship agreement is 20 years. The
12 commissioner shall review the performance of the concessionaire under
13 the agreement each five years and, if the concessionaire has performed
14 faithfully under the agreement, the commissioner shall extend the
15 agreement an additional five years.

16 (d) The commissioner shall establish the boundaries and areas
17 and the terms of the forest stewardship agreement. The commissioner
18 shall establish conditions in the agreement that are not less strin-
19 gent than the current best forest management practices for the area of
20 the state subject to the agreement.

21 (e) The forest stewardship agreement must contain a minimum
22 stumpage value for severed timber for the initial five-year period and
23 a method for determining the minimum stumpage value for subsequent
24 five-year periods. The forest stewardship agreement must require the
25 concessionaire to compensate the state for timber and other valuable
26 resources removed from the land under the agreement. The commissioner
27 may grant the concessionaire stumpage credit for expenses incurred by
28 the concessionaire for improvements accruing to the land beyond the
29 needs of the concessionaire.

1 (f) The commissioner shall establish in the forest stewardship
2 agreement an annual allowable timber harvest based on professionally
3 accepted standards. The annual allowable harvest in a forest steward-
4 ship agreement may vary annually up to 25 percent above or below the
5 annual allowable harvest established in the forest stewardship agree-
6 ment.

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

15 (h) The commissioner shall review and may amend the annual
16 allowable timber harvest during each five-year period of the forest
17 stewardship agreement. The commissioner and the concessionaire shall
18 agree on a cooperative inventory of timber growth during the fourth
19 year of each five-year period of the forest stewardship agreement.

20 (i) The commissioner shall set aside no less than 20 percent of
21 the annual allowable harvest subject to a forest stewardship agreement
22 for short-term timber sales by persons other than the concessionaire.
23 The commissioner shall make timber available through competitive
24 bidding for a term of five years or less and the concessionaire may
25 not bid on the disposal except that if the timber is not sold at
26 competitive bid, the commissioner may make the timber available to the
27 concessionaire under the forest stewardship agreement.

28 (j) The commissioner shall establish procedures for
29 reimbursement to the concessionaire of the costs of improvements on

1 land made available to the public where the improvements are used by
2 and useful to the public.

3 (k) A forest stewardship agreement shall allow public use of the
4 state land involved in the agreement except that the commissioner may
5 authorize the concessionaire to limit access to an area that is ac-
6 tively being harvested or where hazards to the public exist as a
7 result of harvest or reforestation activities.

8 (1) The commissioner shall include within the forest stewardship
9 agreement provisions regarding the default of the concessionaire and
10 termination of the agreement. The commissioner may require that the
11 agreement contain provisions for the arbitration of disputes:

12 Sec. 41.17.094. OFFER OF FOREST STEWARDSHIP AGREEMENTS. The
13 commissioner may invite proposals for the disposal of timber on land
14 under a forest stewardship agreement. The commissioner shall also
15 prepare every two years a list of areas where it is in the public
16 interest that forest stewardship agreements be offered.

17 Sec. 41.17.096. SELECTION OF CONCESSIONAIRE. (a) In the award
18 of a forest stewardship agreement to a concessionaire, the commission-
19 er shall consider

20 (1) the forest stewardship plan submitted by the applicant;
21 (2) the timber stumpage and other resource payments offered
22 by the applicant;

23 (3) the investment in plants and facilities proposed by the
24 applicant;

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

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

28 (6) the experience of the applicant;

29 (7) the response by the applicant to the invitation by the

1 commissioner for road construction, reforestation, and recreational
2 facilities;

3 (8) other items requested by the commissioner or offered by
4 the applicant.

5 (b) The Board of Forestry shall review the applications submit-
6 ted to the commissioner under (a) of this section and shall rank them
7 according to standards established by the commissioner. The commis-
8 sioner may negotiate a forest stewardship agreement with a person
9 determined to have made an offer that is in the best interest of the
10 state to accept.

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

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

17 * Sec. 4. The first list of areas prepared by the commissioner of
18 natural resources under AS 41.17.094, as enacted in sec. 3 of this Act,
19 where it is in the public interest that forest stewardship agreements be
20 offered, shall be prepared two years after the effective date of this Act.