

HB

54



Alaska State Legislature
House

JUNEAU ALASKA

Memo to: Rep. Alvin Osterback, Chairman
House Resources Committee

Date: February 7, 1977

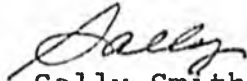
From: Rep. Sally Smith, Chairman
Subcommittee on Parks, Lands, Timber

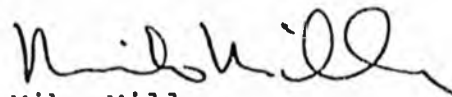
The Subcommittee on Parks, Timber and Lands met at noon with Ted Smith and Jack Roderick of the Dept. of Natural Resources to discuss:

HB 54-----Administration of State Lands
HB 114-----Fire Suppression Fund
HB 115-----Appropriation for Fire Suppression Fund

Attached are copies of information received on these subjects--
Note some are quite old. The subcommittee recommends that the bills be given the attention of the complete Resource Committee to receive testimony from Mr. Smith.

Sincerely,


Sally Smith, Chairman


Mike Miller


Dick Eliason

TO: ROGER LEWIS
Legislative Liaison

THRU: DALE P. TUBBS ~~DD~~
Deputy Director

DATE: February 9, 1975

FROM: L. A. CUTTON
Management Forester
State Forester's Office

SUBJECT: House Bill No. ~~54~~
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Forestry and Water Resources had proposed amendments to AS 38.05.115 to be included in this bill. One of these, and the most important to Forestry, was an amendment to sub-sec. (b) of this statute. The proposed amendment which would facilitate the processing of contracts for minor amounts of timber or materials has been entirely omitted from HB ~~54~~. 54

Section 115(b) presently provides:

"Negotiated sales for timber or materials not exceeding a value of \$250 are exempt from the provisions of AS.34.15.150."

Sec. 115(b) as proposed for amendment would read:

"Negotiated sales [FOR TIMBER OR MATERIALS] not exceeding 50 cu. ft. [A VALUE OF \$250] or the equivalent other measure of timber or more than \$500 of materials are exempt from the provisions of AS 34.15.150.

The problem with AS 38.05.115(b) as presently written is that \$250 does not buy anywhere near the amount of timber or materials today that it did seven years ago. Consequently, we do not have many sales for \$250 and Sec. 115(b) is not accomplishing what it was intended to do; i.e.; reduce the burdensome, inconvenient, and impractical necessity of having simple contracts for the sale of minor amounts of timber or materials acknowledged as required by AS.34.15.150.

A volume rather than a value limitation applicable to timber is used in the proposed amendment, as this conforms to the volume limitation for negotiated sales in Sec. 115(a). Also, this will make the statute less dated with regard to timber, so that future amendments of this nature should not be necessary.

Please forward a copy of this memorandum through the appropriate channels with a request that the amendment be incorporated in HB 54. Otherwise, please let us know why AS 38.05.115(b) should not be thus amended.

H.B. 4.

Sec. 38.05.115. Limitations and conditions of sale. (a) The commissioner, upon recommendation of the director, shall determine the timber and other materials to be sold, and the limitations, conditions, and terms of sale. The limitations, conditions, and terms shall include the utilization, development, and maintenance of the sustained yield principle, subject to preference among other beneficial uses. The director may negotiate sales of timber or materials without advertisement and on the limitations, conditions, and terms which he considers are in the best interests of the state, subject to the approval of the commissioner. However, not more than 500,000 board feet [M.B.M.] or the equivalent of timber or more than ^{25,000}~~20,000~~ cubic yards [\$2,500] of materials may be sold by nonadvertised, negotiated sale to the same purchaser within a one year period.

(b) Negotiated sales [FOR TIMBER OR MATERIALS] not exceeding 50,000 board feet [A VALUE OF \$250] or the equivalent of timber or 1000 cubic yards of materials are exempt from the provisions of AS 34.15.150.

Justification for amendment:

The amendment is proposed, because due to inflation the volume of material that can be purchased for \$2,500 today is far less than could have been purchased in 1969. For the same reason, the \$250 limit on the exemption from AS 34.15.150 (notorizing contracts) is now impractical. It is felt that a volume rather than a dollar limitation will be more practical, make the statute less dated, and make future amendments of this nature unnecessary.

HOUSE BILL NO. 54 by the Rules Committee by Request of the Governor, entitled:

HB
54

"An Act relating to the administration of state land; and providing for an effective date."

was introduced, read the first time and referred to the Committees on Resources and Judiciary.

"January 14, 1977

The Honorable Hugh Malone
Speaker of the House
Alaska State Legislature
Juneau, Alaska 99811

Dear Mr. Speaker:

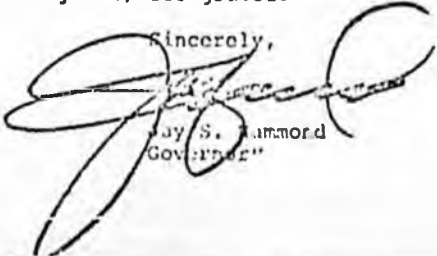
Under the authority of art. III, sec. 18 of the Alaska Constitution, and in accordance with AS 24.30.060(b) and the Uniform Rules of the Alaska State Legislature, I am transmitting a bill relating to the administration of state land. This bill makes three changes in the Alaska Land Act (AS 38.05):

1. It eliminates the requirement in AS 38.05.050 that land sales be held in the recording district where the property sold is located because recording district boundaries have been modified with the result that some districts do not include a site appropriate or convenient for the holding of a sale of land located in the district. In other cases, it is possible that a sale site in an adjacent recording district may be closer to the property for sale than any possible site in the same district.

2. The bill also adjusts the maximum amount of materials which may be sold by non-advertised, negotiated sale under AS 36.05.115(a). The measure of the maximum amount of materials which may be sold in this manner is changed from dollar value (\$5,000) to volume (25,000 cubic yards) to be consistent with the volume measure of timber in the same section, to adopt the standard industry measurement, and to provide for a more flexible measurement in the face of rising prices and inflation.

3. In AS 38.05.115(b), the bill also adjusts in the same manner and for the same reasons, measures of the maximum amounts of timber and material which may be sold by negotiated sale without notarization as required by AS 34.15.150. This maximum is changed from dollar value (\$500) to board feet (50 M.D.M.) for timber and cubic yards (2,500 cubic yards) for gravel.

Sincerely,



Jay S. Hammond
Governor"

TO: Guy R. Martin
Commissioner

THRU: Michael C. T. Smith
Director

DATE : November 3, 1975

FROM: George K. Mollett
State Forester

SUBJECT: Fire Suppression Fund

One of the items that will have to be resolved before we start in the fire suppression business on the Kenai Peninsula next summer is where does the out-of-pocket money come from to pay our bills. As long as we use State crews and equipment, there is no problem as they are funded in our budget. The problem will be in paying the individuals we hire and the equipment owner that may be needed at times to supplement our crews. No money has been included in our budget for this unknown. All our previous bills have been to BLM and have been paid up to a year or so after they expended the funds. When we hire an individual, he is going to want his pay within a short period of time after the fire.

The amount of money needed for out-of-pocket fire suppression costs is really an unknown. If we were to look at the last five years' costs on the Kenai, we find the following:

<u>Year</u>	<u>Acres Burned</u>	<u>Cost</u>	<u># Fires</u>
1970	2375	\$354,424.39	33
1971	1	1,454.84	5
1972	205	11,145.65	11
1973	47	14,637.29	20
1974	40	24,036.16	13
Total	3168	\$405,747.24	102

This then gives us an average cost of \$21,149.45, which you can see does not come close to any of the years. These figures are not a true picture of what the out-of-pocket cost will be as a good bit of these costs will be covered by State crews and equipment.

The same thing shows up when we look at the fire suppression costs for all State and private lands.

<u>Year</u>	<u>Costs</u>
1970	\$1,451,445.63
1971	1,304,955.70
1972	59,546.79
1973	235,907.31
1974	339,537.49

I am not sure what is the best way to handle the situation, but do feel that there should be some way to have money available on a non-expiring basis. This way everyone who has to be involved with the money from payor to payee knows there is money available.

I would like to suggest that the idea of having a "Fire Suppression Fund" be established by the Legislature be looked into. I can see where it could be worked out somewhat similar to the Disaster Relief Fund (copy attached). Since the fire law A.S. 41.15 refers to the Commissioner, it would then be natural to tie the operation of the suppression fund there also.

Since we are really dealing with an unknown figure at this time, I would suggest we ask for an initial funding of \$50,000.00. This would give us some protection for our job on the Kenai Peninsula. It would mean we would have to come in each year as we take over different areas of the State for subsequent financing. This may be easier than asking for a large amount at first. I would be most happy to work with someone on the working of such a fund and also the amount, if you feel it is worthwhile.

If we do not go the fund route, it will then be necessary to ask for a supplemental to the FY 76 budget to be assured there are funds available to make payments. Since the fire season starts in May, it would be best to have about \$20,000.00 in case we do have any trouble. I am not sure what code something like this would go under since they appear to have removed the 800 code. If there is something like the old 800 code, I would say that is where it belongs as we pay both salaries and equipment rental from the funds.

Let me know if there is any more information I can put together or any way I can help.

Attachment

FISCAL NOTE

I. REQUEST
 Bill/Resolution No. HOUSE BILLS NO. 114 & 115
 Title Fire Suppression Fund
 Requested by Office of the Governor Date 1/18/77

II. FISCAL DETAIL
 Agency Affected Department of Natural Resources
 Program Category Affected Division of Lands
 Budget Request Unit(s) Affected _____

EXPENDITURES (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		750.0	566.8	595.2	624.9	
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC						
TOTAL		750.0	566.8	595.2	624.9	

FUNDING (Thousands of Dollars)

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
GENERAL FUND		750.0	566.8	595.2	624.9	
FEDERAL FUNDS						
OTHER (Specify)						

POSITIONS

	FY 77	FY 78	FY 79	FY 80	FY 81	FY 82
FULL TIME		0	0	0	0	
PART TIME		0	0	0	0	
TEMPORARY		0	0	0	0	

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)
 The requested legislation establishes a Fire Suppression Fund and appropriates from the General Fund monies sufficient to initiate the Fund and maintain it in future years at a level adequate to meet anticipated costs of annual fire fighting activities. The Fire Suppression Fund is a reserve from which fire fighting expenses will be paid; it is not a planned expenditure. Future annual inputs from the General Fund to the Fire Suppression Fund are difficult to predict, however, from 1970 through 1975 State outlays for fire suppression have ranged from \$1.2 million to \$99,646, averaging approximately \$539,055. Creation of a Fire Suppression Fund will enable prompt payment of fire fighting costs. With increasing State ownership of land, and responsibility for fire protection, the base cost can be expected to rise, even aside from inflation. Previously these payments have been met through supplemental or annual appropriations and have been subject to the delays implicit in that process.

IV. DATE _____ PREPARED BY George Bollett
 AGENCY Division of Lands
 Original: Legislative Finance PHONE Gay Martin 1/19/77
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)



BRIEFING

Bureau of Land Management - State of Alaska Fire Control Contract

February 4, 1977

BACKGROUND

With realization of Alaska statehood in 1959, BLM entered a contract with the State to protect State lands from wildfire. This was an interim measure to protect State resources until the State established its own fire control capability.

In 1971, after considerable dialogue, serious contract disengagement proposals were discussed with Mr. Charles Herbert, Commissioner, Department of Natural Resources. These proposals called for BLM disengagement in the Cook Inlet - Kenai Peninsula areas by 1975.

In 1972, BLM disengaged from the lands in Southeast Alaska. The Cook Inlet disengagement plan was reiterated this same year by letter to Governor William Egan.

In 1973, Governor William Egan informed BLM, by letter, that he had directed the Department of Natural Resources to review the problem and prepare a detailed program for building a State organization.

In a 1975 letter, Governor Jay Hammond was briefed on BLM's disengagement plans.

By contract amendment dated June 17, 1976, the State removed 21,206,381 acres of land from BLM contract protection. The State established a fire control organization to fight fire on the Kenai Peninsula and the Chugach State Park. This amendment also eliminated all protection on approximately 10,500,000 acres of burnable resources on State lands in western Alaska. During the 1976 fire season, problems were identified with the "let burn" decision on this 10.5 million acres. Since time did not allow a formal contract adjustment, BLM agreed by memorandum to protect these acres on a fire by fire basis despite contract deletion and lack of associated presuppression monies.

Also in 1976, a formal plan of BLM disengagement from lands bounded by the Alaska Range, Talkeetna Mountains, Chugach Mountains, and Kenai Mountains was presented to the State. More specifically, this area includes the Kenai Peninsula, Anchorage Bowl, and the Mat-Su Valley.

This brief chronology brings us to the present. Three situations require attention:

1. 10.5 million acres of unprotected State land in western Alaska.
2. BLM's planned disengagement from the Mat-Su area.
3. Contract rewrite to optimize the contract dollar and optimize protection on BLM and State lands.

One last comment is made. BLM can contractually protect State lands only as long as mutual agency benefit is realized. In other words, BLM cannot sell its fire control services unless it realized reciprocal benefits such as the State protecting portions of BLM land. The opportunity exists for a contract incorporating this concept.

BLM has responsibility lands in locations where the State is major land holder. The features of these locations include people/property density, road accessibility, and compact area. Fire attack can be accomplished with vehicular pumper trucks and some helicopter support.

The State has responsibility lands in locations where BLM is the major responsible land administrator. The features of these locations include limited people/property density, no road access, and vast area. Fire attack can only be accomplished utilizing major aircraft involvement. Annually, BLM must obligate 3.0 million dollars to acquire contract aircraft. This cost is exclusive of flying time.

The point is made that no technical organizational duplication will exist if the State elects to focus fire protection in the population/property density areas and BLM focus its protection in the vast roadless areas. Mutual benefit is realized and the resulting fire control organizations are complementary.

The briefing will describe the current contractual situation and offer a new contract approach to better solve our mutual fire control problem.

SIGNIFICANT FIRE CONTROL CONTRACT PROVISIONS

(STATE OF ALASKA-BUREAU OF LAND MANAGEMENT)

1. On lands contracted to either party by the other, there is a \$0.0474 per acre presuppression charge.
2. On contracted lands all suppression costs incurred are directly reimbursable.
3. An administrative charge on a sliding scale is added to reimbursable suppression costs. This charge is applied on the total annual bill.

Amount of Bill	Rate	Maximum Amount
First \$ 250,000	25%	\$ 62,500
Next \$ 250,000	20%	\$ 50,000
Next \$ 500,000	15%	\$ 75,000
Next \$1,000,000	10%	\$100,000
Over \$2,000,000	5%	N/A

4. Bills by each party offset each other annually.
5. The presuppression bill is due and payable each September 1 for the following fiscal year (October 1 through September 30).
6. The advanced suppression bill is due and payable September 1 for the current calendar year (75 percent of the last 5 year average reimbursable suppression bills).
7. The suppression bill is due and payable each September 1 for the year previous to the two most current calendar years (the advanced suppression payment applies to this bill).
8. Presently the State protects 372,194 acres of BLM responsibility lands at a presuppression cost of \$17,642.
9. Presently BLM protects 14,115,468 acres of State responsibility lands at a presuppression cost of \$669,073.
10. The State advanced suppression bill for CY 1977 is \$295,447.
11. During the 5 year period 1971 - 1975, the lowest actual State suppression bill was \$99,647 and the highest actual bill was \$1,240,740.

- - - - - For the remainder of this presentation we will
only consider contract change opportunities in
the southwestern quarter of Alaska - - - - -

CHANGES FROM PRESENT TO RECOMMENDED CONTRACT

1. Kenai Peninsula. No change. As a note of interest, BLM has suppression base at Soldotna for protection of the Kenai Moose Range.
2. Chugach. Presently the State protects 8,432 acres of BLM responsibility land in the Eagle River area. Recommended contract would add the 6,000 acre Eklutna Power Withdrawal Area to this State protection. The State has in-place capability.
3. Bristol Bay. No change. No protection needed since no fire history.
4. Kodiak Island. No change. Each agency protects its own land.
5. Taylor Mountain. Realign contract protection to the area with fire history (north one-third). Due to negligible fire incidence in the south two-thirds, BLM would react to assistance requests without contract presuppression monies.
6. Iditarod. Total State area would change from no protection to protection by BLM.
7. Poorman. Total State area would change from no protection to protection by BLM.
8. Farewell. No change. No protection needed since no fire history. Fires near the west boundary on State land would be normally attacked by BLM as they threaten BLM responsibility lands. No presuppression monies necessary.
9. Kokrine Hills. Total State area would change from no protection to protection by BLM.
10. Haines Skagway. No change.
11. Mat-Su. State would assume protection of its own lands (4,920,396 acres). Additionally, the State would contract protect 697,473 acres of BLM land located adjacent to the Alaska Range.

Note that irrespective of this particular proposal, BLM will discontinue contract protection on the SE quarter of Mat-Su in CY 1977. This quarter experiences 85 percent of the ignitions in Mat-Su. This particular disengagement is in consonance with planning, discussions, and correspondence between BLM State Director, Curt McVee, and Governors Jay Hammond and William Egan.

PRESENT CONTRACT TERMS

Area	<u>BLM Land Protected By State</u>		<u>State Land Protected by BLM</u>		<u>Burnable Area Not Being Protected</u>		
	Acres	5 Year Average No. of Fires	Acres	5 Year Average No. of Fires	Acres	5 Year Average No. of Fires	Land Owner
1. Kenai Peninsula	258,762	1.0	0	N/A	0	N/A	N/A
2. Chugach	8,432	2.0	0	N/A	0	N/A	N/A
3. Bristol Bay	0	N/A	0	N/A	1,612,800	0	State
4. Kodiak Island	0	N/A	0	N/A	0	N/A	N/A
5. Taylor Mountain	0	N/A	4,772,711	0.8	4,608,306	1.2	State
6. Iditarod	0	N/A	0	N/A	1,385,605	3.6	State
7. Poorman	0	N/A	0	N/A	3,658,621	8.0	State
8. Farewell	0	N/A	0	N/A	1,961,644	1.2	State
9. Kokrine Hills	0	N/A	0	N/A	875,520	1.2	State
10. Haines-Skaagway	105,000	0	0	N/A	0	N/A	N/A
11. Mat-Su	0	N/A	4,920,396	47.6	0	N/A	N/A
Total	372,194	3.0	9,693,107	48.4	14,102,496	15.2	----

Net presuppression cost: $(9,693,107 - 372,194) \times 0.0474 = \$ 441,811.$

RECOMMENDED CONTRACT TERMS

Area	BLM Land Protected By State		State Land Protected By BLM		Burnable Area Not Being Protected		
	Acres	5 Year Average No. of Fires	Acres	5 Year Average No. of Fires	Acres	5 Year Average No. of Fires	Land Owner
1. Kenai Peninsula	258,762	1.0	0	N/A	0	N/A	N/A
2. Chugach	14,432	2.0	0	N/A	0	N/A	N/A
3. Bristol Bay	0	N/A	0	N/A	1,612,800	0	State
4. Kodiak Island	0	N/A	0	N/A	0	N/A	N/A
5. Taylor Mountain	0	N/A	3,068,883	1.4	6,312,134	0.6	State
6. Iditarod	0	N/A	1,385,605	3.6	0	N/A	N/A
7. Poorman	0	N/A	3,658,621	8.0	0	N/A	N/A
8. Farewell	0	N/A	0	N/A	1,961,644	1.2	State
9. Kokrine Hills	0	N/A	875,520	1.2	0	N/A	N/A
10. Haines-Skagway	105,000	0	0	N/A	0	N/A	N/A
11. Mat-Su	697,473	0.4	0	N/A	0	N/A	N/A
Total	1,075,667	3.4	8,988,629	14.2	9,886,578	0.6	----

Net presuppression cost: $(8,988,629 - 1,075,667) \times 0.0474 = \$ 375,074.$

Conclusions

If the discussed or similar contract change is acceptable, the following products will be realized:

1. All BLM and State lands will receive protection from wildfire either contractually or cooperatively.
2. State lands which presently receive no contract protection will be reduced from 14.1 million acres to 9.9 million acres.
3. The 9.9 million acres will be relocated on the basis of low fire occurrence (15.2 fires annually to 0.6 fires annually). On these lands BLM will react to assistance requests from the State without contract presuppression monies.
4. The State will provide protection to the whole Mat-Su valley (4.9 million acres State land and 0.7 million acres BLM land). This impact is minimal, since in 1977, BLM will disengage from the State contract area containing 85 percent of the Mat-Su fire load.
5. State contract dollar will be placed in areas having highest occurrence.
6. In this southwestern quarter of Alaska, State presuppression monies to BLM will be reduced from \$442,000 to \$375,000.
7. The State would develop a tanker truck fire control organization while BLM would continue operation of an aerial fire control organization. Organizations are complementary. This type State development is commensurate with its projected fire control engagement in the Fairbanks, Delta, and Glenallen areas.

We are jointly engaged in rewriting our mutual protection contract to update provisions. Likewise we must jointly address our operating policies, procedures, and field organizations for the 1977 fire season. An early decision on State protection position would allow smooth transition into this fire season.