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Alaska State Legislature

BETTYE FAHRENKAMP, CHAIRMAN
VIC FISCHER, VICE-CHAIRMAN
BRAD BRADLEY
DICK ELIASON
DON GILMAN
BOB MULCAHY
ARLISS STURGULEWSKI



POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3034
(907) 465-3035

Senate

Committee on Resources

April 8, 1981
1:40 p.m.

Beltz Room
Room 211 - Capitol

MEMBERS PRESENT

Senator Fahrenkamp
Senator Fischer
Senator Sturgulewski
Senator Mulcahy
Senator Gilman

Hearing:

- SSSJR 10 Proposing amendments to the Constitution of the State of Alaska relating to agricultural rights in state lands.
- SCR 17 Relating to the development of a wood products industry in the state.
- SB 245 An Act amending the agricultural loan program to authorize loans for the harvesting, storage, and delivery of peat.

Bob Palmer, Coordinator, Special Projects for the Governor, stated that, nationwide annually, 3-5 million acres of are taken out of agricultural production. A number of states have recognized the negative impact of this and have been purchasing agricultural rights from private land owners. He indicated that SSSJR 10 would alleviate several potential problems: first, the sale of only agriculture rights could be repealed by a future legislature. And, second, with the approval from the adjacent city and the Division of Lands, the owner of agricultural lands can obtain full title. He indicated that there has been an increase in the number of people speculating in agriculture lands in hopes they can someday sub-divide the land and sell it. SSSJR 10 will eliminate this speculation.

Senator Fischer put forth the motion to move SSSJR 10 with individual recommendations.

SENATE RESOURCES COMMITTEE

April 8, 1981

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Senator Colletta, stated that SCR 17 sets up a procedure to utilize one of the state resources. With the current emphasis on agricultural development, it is necessary to utilize the timber that is on the land. SCR 17 directs the various agencies to work together jointly to utilize all of the resources

Senator Sturgulewski offered language for amendments. The Chairman suggested since SCR 17 would be next in the Finance Committee that the amendments could take place there.

Bob Palmer, Coordinator, Special Projects for the Governor, stated that he supports the concept of SCR 17. He explained that the language "highest and best use" is not always the the most obvious use of the resource.

Senator Mulcahy put forth the motion to move SCR 17 with individual recommendations.

Bob Palmer, Coordinator, Special Projects for the Governor, stated he supports SB 245. He indicated that during a recent market trip to Japan he found that they import large amounts of peat from West Germany which contains 60% moisture. The Japanese use peat for cattle feed, oil spill clean up and potting soil. Peat offers a prime opportunity for a new industry in Alaska. One of the difficulties with the development of a peat industry is a large portion of it is located in wet lands which fall under the jurisdiction of the Army Corps of Engineers. He suggested that due to the limited funds in the Agricultural Loan Program that AIDA or ARRC might be more appropriate bodies to handle loans for peat. .

The Committee was adjourned at 2:25 p.m.

Alaska State Legislature

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POUCH V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3835

Senate

Committee on Resources

TO: SENATE RESOURCES COMMITTEE
FROM: SENATE RESOURCES COMMITTEE STAFF
DATE: April 7, 1981
RE: Hearing Wednesday, April 8th, 1:30 p.m., Beltz Room

Attached please find the following materials for Wednesday's hearing:

- SSSJR 10 Proposing amendments to the Constitution of the State of Alaska relating to agricultural rights in state lands.
Kodiak Soil Conservation Subdistrict, Resolution, regarding loss of agricultural lands to subdivisions.
- SCR 17 Relating to the development of a wood products industry in the state.
"Use of trees to be cleared from Alaska agricultural lands to develop a new wood fiber industry: a proposal for state policy." Mead Treadwell, December 20, 1980.
- SB 245 An Act amending the agricultural loan program to authorize loans for the harvesting, storage, and delivery of peat.



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 1, 1981

The Honorable Terry Gardiner
Alaska State Legislature
House Resources Committee
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

have your letter of March 6, 1981, concerning timber utilization at Point MacKenzie.

Enclosed you will find a copy of the settlement of the litigation agreed to by the State and the Sierra Club concerning that issue.

Also enclosed please find an estimate from the Department of Natural Resources of the amount of commercial spruce on each tract and the dollar value calculated at \$35/MBF (thousand board foot). Ted Smith states that \$20/MBF is a more reasonable figure for a total value of about \$50,000. If there is as much as 9 million board feet (9,000 MBF) the value would still be only \$180,000. The value of the birch firewood has been estimated at \$90,000.

Certainly, these figures are far less than the "millions" quoted by the media.

I am also enclosing statements from various individuals with knowledge and personal experience in the Point MacKenzie area. I believe you will find their statements of much value. I would especially commend to you the words of Glen Franklin, the Contracts Administrator for the Special Projects Office in Delta Junction. He has much experience in timber utilization in Canada's Peace River area and supervised the test clearing work at Point MacKenzie.

Thank you for your interest in this matter. We, too, are certainly desirous of the best feasible use of those timber resources.

Sincerely,

Jay S. Hammond
Governor

Enclosures

✓ cc: The Honorable Bettye Fahrenkamp
Chairman
Senate Resources Committee
w/Enclosures

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Alaska State Legislature

House of Representatives

Committee on Resources

RECEIVED

MAR 10 '81

Terry Gardiner, Co-Chairman
Fred F. Zharoff, Co-Chairman
465-3715

GOVERNORS OFFICE
State Capitol
Juneau, Alaska 99811

March 6, 1981

The Honorable Jay Hammond
State of Alaska
Juneau, Alaska 99811

Dear Governor Hammond:

We, as many Alaskans, are concerned about the utilization of timber resources on agricultural lands. Since the time schedule precludes any legislative action at this time, we are sending you our concerns in letter form.

It would seem wisest for Alaska to guarantee that we fully utilize timber resources on agricultural land developments. The Pt. McKenzie area, according to your Department figures, contains 9 million board feet of commercial timber and 40 million board feet of firewood. This timber has the value of \$1-2 million, depending on your choice of estimates. While we desire agriculture development, we should not proceed such that wasteful uses are forced or utilized.

We would request that you insure that all timber in the Pt. McKenzie area is actually utilized rather than burned or put to any other such wasteful purpose. This will satisfy many concerns.

Terry Gardiner	Joseph Chackwuk
Fred F. Zharoff	Vernon Hurlbert
Ben Grussendorf	Eric G. Sutcliffe
Anthony Vaska	Sally Smith
Ramona Barnes	

RECEIVED MAR 23 1981

Terry Gardiner	Joseph Chackwuk
Fred F. Zharoff	Vernon Hurlbert
Ben Grussendorf	Eric Sutcliffe
Anthony Vaska	Sally Smith
Ramona Barnes	

MEMORANDUM

To: Barbara Miracle
Assistant Attorney General
Department of Law

Date: March 10, 1981

From: Glen Franklin
Contracts Administrator,
Special Projects Office
Office of the Governor

Re: Surplus Wood Disposal
on Point MacKenzie
Agricultural Project:
Your Request for Comments
3/6/81

As the person responsible for the administration of clearing contracts on the Delta project and for our test clearing effort on Point MacKenzie, I can write from substantial experience on the question of wood and timber values within these projects.

The claims by Mr. Lowe of the Sierra Club and some members of the Alaska Association of Independent Loggers concerning timber values on the Point MacKenzie Project are spurious. One may guess, without having been privy to their respective calculations, that the ADL Forestry stem-counts for one or two of the most heavily timbered tracts were used, then generalized for the entire project acreage. Our test clearing effort, which covered three large tracts, plus a small parcel of university land, showed fewer than 50 white spruce (*Picea glauca*) stems of harvestable size and totaling less than 2,000 board feet. To be sure, these particular tracts were chosen for our test on that criterion (i.e., no timber).

Colleagues and I have cruised every tract within this project and have concluded that no more than eight of these 31 tracts show even marginal quantities of white spruce. As for firewood, one should dismiss without discussion the argument chained-down deciduous stems are rendered unusable. We heard this assertion prior to start-up in Delta and heard nothing more of it after woodcutters had experienced salvage after chaining. An excellent demonstration is also available on Point MacKenzie, Tract 11, where we left one mile-long strip by 300 feet chained down for salvage in December. By January 20, when I again looked at this test strip, virtually all birch and perhaps 50 percent of the aspen/poplar had been removed by woodcutters. This is the program and schedule which I would recommend:

Chain down of each tract this spring, then idle equipment through summer and fall, while log and wood salvagers are encouraged to work the entire project, now made accessible by the windbreak and chaining trails. Stacking of remaining debris would follow the succeeding winter.

Four tracts of our Delta I project were judged by ADL Forestry to contain marketable timber and assessed stumpage. Of these four, one owner was successful in selling the stumpage to a (an) (amateur) salvager, but for considerably less than his own assessment

Memorandum to
Barbara Miracle

-2-

March 11, 1981

by the State. The salvager worked for one season with free labor and a sawmill, but has "folded" before removing all the purchased stems. The other three tract owners who purchased "commercial timber" have all tried to sell stumpage without success. One has purchased and used a sawmill. Each now concludes that he cannot compete with current prices for commercial timber. Not one of these four would now, after the fact, agree to pay anything for the "commercial timber" on his property.

Again concerning chaining, please understand that root systems must be removed from soil intended for agricultural use. Salvagers who cut standing material leave a stump which cannot be lifted by the chain. Chaining, on the other hand, leaves a tree stem which IS available for salvage. Thus, if the landowner is permitted to chain his material down, it is both available for salvage and ready for subsequent consolidation.

In summary, I urge that we leave the wood disposal to the discretion of each tract owner and charge him/her no stumpage for any alleged "commercial timber". I also recommend that he/she be required to make the chained-down material available to the public.

REC'D FROM D.N.R.

Pt. MacKenzie Ag. Sale

White Spruce Data

<u>Tract No.</u>	<u>Parcel No.</u>	<u>White Spruce MBF (9" DBH)</u>	<u>Estimated Value *</u>
1	1	80	\$ 2,800.00
2	20	Ø	Ø
3	21	40	1,400.00
4	2	10	350.00
5	3	30	1,050.00
6	22	168	5,880.00
7	23	100	3,500.00
8	4	200	7,000.00
9	5	400	14,000.00
10	6	125	4,375.00
11	24	40 (½ chained)	1,400.00
12	7	110	3,850.00
13	8	109	3,815.00
14	9	370	12,950.00
15	10	80	2,800.00
16	11	75	2,625.00
17	12	80	2,800.00
18	25	125	4,375.00
19	26	175	6,125.00
20	Not For Sale		
21	27	80	2,800.00
22a	28	30	1,050.00
22b	29	50	1,750.00
23a&b	13	70	2,450.00
24	14	Ø	Ø
25	30	Ø (chained)	Ø
26	31	120	4,200.00
27	15	Ø (½ chained)	Ø
28	16	Ø	Ø
29	17	21	735.00
		<u>2,688 MBF</u>	<u>\$94,360.00</u>

*Estimated value @ \$35.00/MBF (Sale data from Trail Ridge Sales)

TED SMITH STATES THAT ⁵70/MBF IS A MUCH MORE REALISTIC FIGURE. W.I.P.

UNITED STATES DEPARTMENT OF AGRICULTURE - SOIL CONSERVATION SERVICE

March 23, 1931

Honorable Terry Gardiner, Chairman
House Resources Committee
Mail Station 3100
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

One very important stage in an economical clearing process is the knockdown of the trees. This can be accomplished in several ways. The old standard was to simply push over the trees with a bulldozer. This method tends to skin up the trees and break and crush them severely. It is also a very expensive first step, due to the fact that the cat has to essentially walk over every inch of the land before it can start to push up the trees into piles.

In recent years chaining has been used very efficiently for knock-down. This process is much faster, since the cats can be spaced out, not needing to walk over the entire land area. Additionally, the chaining process is much less destructive to the trees being knocked down. Most trees are not rooted very well and are easily tipped over by the chaining without having to apply the heavier weight of the cat. Thus fewer trees are damaged. Chaining also tends to leave the trees in a much "neater" and more easily accessible condition. Cat knock-down tends to leave the trees in a very tangled mess.

It has been stated that chaining damages the trees so that they are not fit for logs or firewood. That is definitely not true. I have personally seen many hundreds of logs salvaged from chained woodland on the Delta Ag Project and numerous other clearing done in the Delta area. I also have cut in excess of 50 cords of firewood during the past several years. Perhaps as much as 50 percent has come from chained woodland.

Additional facts should also be considered. If the wood on a parcel of land is to be harvested, access is needed. Most amateur timber cutters do not have the equipment nor time to create access. But after a chaining operation is completed, the access if then available, thus saving the amateur considerable time and effort.

In summary, chaining is an efficient and economical process used to help develop agricultural land, plus it is not severely destructive to the wood resource, which we all want to be utilized.

Sincerely,

Roger Boyer
District Conservationist
Fairbanks

COOPERATIVE EXTENSION SERVICE - UNIVERSITY OF ALASKA, FAIRBANKS
=====

Tanana District
P. O. Box 349
Delta Junction, Alaska 99737
Phone: (907) 895-4215

March 23, 1981

Honorable Terry Gardiner, Chairman
House Resources Committee
Mail Station 3100
Pouch V
Juneau, Alaska 99811

Dear Representative Gardiner:

The following comments are offered in rebuttal to allegations, by special interest groups, that the primary phase of land clearing (i.e. chaining) renders timber unsalvageable for lumber, logs, or firewood.

As an advisor to the State of Alaska during the 2,000 acre agricultural land clearing trial conducted in Delta Junction in 1977 and 1978 I personally witnessed the effect of chaining on a variety of vegetative types. In addition, nearly all the vegetation on the 60,000 acre Delta Agricultural Project has been chained since 1978.

Chaining simply pulls the trees down to a nearly horizontal position and tends to dislodge the root structure from the soil. Chaining does not destroy the trees. Occasionally, trees will snap off or shatter at the base, but this is rare. The bark is usually marred, however this is an unimportant consideration in any of the previously stated uses. Also, chaining does not result in significant amount of timber being pulled through the soil and thereby becoming encased in silt.

In many instances chaining has improved public access to the timber by providing trails. This has resulted in large quantities of firewood, house logs, lumber, posts and rails being salvaged on the Ag Project here in Delta. I cannot imagine the situation being significantly different in other areas.

Sincerely,

Don Quarberg
Ag Agent

DO/pd/mr

KANDIK CONSTRUCTION, INC.
P.O. Box 60583
Fairbanks, Alaska 99706

March 14, 1981

TO: Mr. Bill Ward
RE: Bid Proposal on Tract 23
LOCATION: Point MacKenzie Agricultural Project

This quote pertains to logged off areas where stumps will be encountered. The stacking price will be \$450.00 per acre. This quote represents a \$258.00 increase due to the excessive time involved in stump removal.

These figures were obtained by actual work performed in the logged off areas.

If any information other than the above is needed, please feel free to contact us at your convenience.

Sincerely,

Bud LaFon

GDL: jdy/mrn

1 DURWOOD J. ZAEIKE
 2 Sierra Club Legal Defense Fund, Inc.
 3 419 6th Street, Suite 321
 4 Juneau, Alaska 99801
 5 (907) 586-2751

6 IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
 7 THIRD JUDICIAL DISTRICT AT ANCHORAGE

8 Harley Brotherton; et. al.;)
 9 Plaintiffs,)
 10 v.)
 11 Department of Natural Resources;) No. 3AN-81-1541 Civil
 12 et. al.)
 13 Defendants.)

14 STIPULATION AND ORDER FOR DISMISSAL

15 WHEREAS, timber resources are among the state's most
 16 valuable resources;

17 WHEREAS agricultural projects sometimes require the
 18 clearing of valuable timber from state lands; and

19 WHEREAS clearing for agricultural projects involves
 20 the potential for wasting valuable timber resources:

21 NOW THEREFORE, The Department of Natural Resources of
 22 the State of Alaska, the Agricultural Action Council of the
 23 State of Alaska, and the plaintiffs in Brotherton, et. al.,
 24 v. Department of Natural Resources, Civil No. 3AN-81-1541,
 25 by and through their attorney Durwood J. Zaelke, do hereby
 26 stipulate as follows:

27 (i) Any and all loans of state money for clearing the
 28 Pt. MacKenzie agricultural project shall include a condition
 29 requiring the winners of the Pt. MacKenzie land lottery to
 30 offer the marketable, commercial timber resources on their
 31 lands to the highest bidder at a public auction duly noticed,
 32 and either to accept such bid or to reject it and purchase
 the timber themselves at the value established by the highest
 bid; if the highest bid is accepted, the lottery winners

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shall provide the longest practical time for removing the timber resources, consistent with the schedule required by each farmer's approved development plan;

(ii) the value of marketable, commercial timber resources shall be included in all future disposals of state agricultural lands, except those lands which are not suitable for timber harvesting;

(iii) the costs of suit, including attorneys' fees in the amount of \$2,720 (68 hours x \$40/hour), in Brotherton, et al., v. Department of Natural Resources, Civil No. 3AN-81-1541, shall be paid by defendants;

(iv) The action entitled Brotherton, et. al., v. Department of Natural Resources, Civil No. 3AN-81-1541, shall be dismissed with prejudice, said dismissal to be lodged by defendants.

Durwood J. Maelke DATED: 3/10/81
Durwood J. Maelke
Attorney for Plaintiffs

Rodger W. Pegues DATED: 3/10/81
Rodger W. Pegues
(for Barbara Miracle)
Attorney for Defendants

Geoffrey Haynes DATED: 3/10/81
Geoffrey Haynes
Deputy Commissioner
Department of Natural Resources

Bob Palmer DATED: 3/11/81
Bob Palmer
Agricultural Action Council

