

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990

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HOUSE JUDICIARY

1 determined by the commissioner;

2 (13) the preclusion of a contractor under a forest steward-
3 ship agreement from bidding on timber sales of 5,000,000 board feet or
4 less under AS 38.05.115;

5 (14) the preparation of reports required by the commission-
6 er; and

7 (15) other terms, conditions, and limitations determined to
8 be in the public interest by the commissioner.

9 (b) The commissioner shall establish by regulation the require-
10 ments of a forest stewardship agreement for access, development, har-
11 vest, management, and reforestation of timber and the contents of
12 plans required under AS 41.17.520(b).

13 (c) A forest stewardship agreement may require the purchaser to

14 (1) enter into a reimbursable services agreement with the
15 state for monitoring and enforcement of the terms and conditions of
16 the agreement and applicable state law;

17 (2) compensate the state for the scaling services required
18 to account for the timber sold;

19 (3) construct and maintain roads required for the harvest
20 of timber by the agreement; and

21 (4) designate not less than 20 percent of the timber volume
22 to be subcontracted to a small operator; the commissioner shall make
the final designation from areas included in the operating plan.

23 (d) A forest stewardship agreement entered into or extended
24 under AS 41.17.500 - 41.17.640 must contain a requirement that the
operator comply with the terms of the forest stewardship agreement and
AS 41.17.500 - 41.17.640 and must contain conditions under which the
agreement may be terminated or subject to other penalties including a
cease and desist order, a fine, a reduction in the allowable cut,

1 location or cutting periods, or other remedies as determined by the
2 commissioner on a finding that the operator has not complied with the
3 terms of the agreement or with state law.

4 Sec. 41.17.550. CREDITS. (a) In a forest stewardship agree-
5 ment, the commissioner may provide, subject to (c) of this section,
6 for contractor credit against future stumpage payments due under the
7 forest stewardship agreement. A credit against future stumpage is not
8 transferable between contractors or between sales and may not be paid
9 in cash. A credit may not exceed the value owed to the state. A
10 credit against future stumpage payments may be granted for the

11 (1) loss of roads and drainage structures that

12 (A) have future value to the state; and

13 (B) are lost through an act of God not due to negli-
14 gence on the part of the contractor;

15 (2) construction that

16 (A) does not directly contribute to the management or
17 harvest of timber resources such as recreation improvements;

18 (B) was not included in the initial agreement or its
19 extensions; and

20 (C) is reviewed by affected agencies and authorized in
21 advance by the commissioner; or

22 (3) additional silviculture treatments beyond those re-
23 quired in the forest stewardship agreement.

24 (b) The commissioner shall provide public notice under AS 38.-
25 05.945 before granting a credit under (a)(2) or (3) of this section.

26 (c) The grant of credit against future stumpage payments under
27 this section may be made under the following procedures:

28 (1) the commissioner shall submit a report to the Legisla-
29 tive Budget and Audit Committee on the credit that is proposed to be

1 granted;

2 (2) 45 days must elapse before the grant of the credit
3 unless the Legislative Budget and Audit Committee recommends that the
4 grant of credit be made;

5 (3) if within the 45-day period the Legislative Budget and
6 Audit Committee recommends that the commissioner not grant the credit,
7 the commissioner shall again review the proposed grant of credit;

8 (4) if the commissioner decides to grant the credit after
9 further review, the commissioner shall provide a statement of the
10 commissioner's reasons for granting the credit before the grant of the
11 credit is made.

12 Sec. 41.17.560. MOST QUALIFIED BIDDER DETERMINED. (a) The
13 commissioner shall determine the most qualified bidder for a forest
14 stewardship agreement based on minimum qualifications established for
15 bidders in regulations and in a multiple variable bid process. In
16 reviewing bids received the commissioner shall consider

17 (1) the stumpage payments proposed by the bidder;

18 (2) the amount of the investment in plant and facilities
19 proposed by the bidder;

20 (3) the forest resource utilization standards proposed by
21 the bidder;

22 (4) the number of jobs to be provided by the bidder;

(5) road construction, reforestation, and recreation im-
provements requested by the commissioner;

(6) measures proposed by the bidder to maintain, enhance,
or mitigate the effects on other beneficial uses or resources of
forest land; and

(7) other items requested by the commissioner or offered by
the bidder.

1 (b) Before requesting bids or accepting applications, the com-
2 missioner shall adopt regulations detailing the bidding procedure and
3 the method of determining the most qualified bidder.

4 Sec. 41.17.570. REVIEW AND PUBLIC NOTICE. Before the commis-
5 sioner enters into or extends an agreement or makes a finding under
6 AS 41.17.580, the proposed agreement, the proposed best interest
7 finding under AS 41.17.580, and each plan prepared under AS 41.17.-
8 520(b) and (c) shall be reviewed by the commissioners of environmental
9 conservation, fish and game, and commerce and economic development and
10 by affected municipalities. The commissioner shall provide public
11 notice under AS 38.05.945 before adopting the best interest finding,
12 the proposed agreement, the master plan, the five-year operating plan,
13 and the annual harvesting plan and shall hold appropriate public
14 hearings.

15 Sec. 41.17.580. BEST INTEREST FINDING. Before the commissioner
16 enters into or extends an agreement, the commissioner shall issue a
17 written finding that the proposed agreement or extension is in the
18 best interest of the state.

19 Sec. 41.17.590. INCREMENTAL VOLUME AVAILABLE. If allowed in an
20 agreement, at any time during an agreement the commissioner may make
21 incremental volume available to the contractor if the commissioner
22 determines that forest management by the contractor has increased the
23 annual allowable cut consistent with the other objectives of the
24 agreement.

25 Sec. 41.17.600. EXTENSIONS OF FOREST STEWARDSHIP AGREEMENT. (a)
26 Each five years of the agreement, either during or after the initial
27 term of the agreement, the commissioner may extend the forest steward-
28 ship agreement if

(1) the term of the extension does not exceed five years;

1 (2) the contractor submits a proposed operating plan for
2 the next five years of operation and amends the master plan for the
3 forest stewardship agreement, as the commissioner considers necessary;
4 and

5 (3) the commissioner, after review of existing and proposed
6 operations and consultation with the commissioners of environmental
7 conservation, fish and game, and commerce and economic development,
8 and with other affected agencies and municipalities finds that the
9 operator has complied with AS 41.17.500 - 41.17.640 and the terms of
10 the forest stewardship agreement.

11 (b) Before extending a forest stewardship agreement, the commis-
12 sioner shall

13 (1) adopt a best interest finding under AS 41.17.580; and

14 (2) provide public notice under AS 38.05.945 and hold
15 appropriate public hearings.

16 Sec. 41.17.610. ACCOUNTING. The commissioner of administration
17 shall separately account for money received under this section that
18 the department deposits in the general fund. The annual estimated
19 balance in the account may be used by the legislature to make appro-
20 priations to the department to carry out the purposes of AS 41.17.-
21 500 - 41.17.640.

22 Sec. 41.17.620. OTHER AUTHORITIES UNAFFECTED. The provisions of
23 AS 41.17.500 - 41.17.640 do not affect the authority of

24 (1) the Department of Fish and Game, the Board of Fisher-
25 ies, or the Board of Game under AS 16 or AS 41.99.010;

26 (2) the Department of Environmental Conservation under
27 AS 46.03; or

28 (3) state agencies and municipalities under AS 44.19.-
29 145(a)(11) and AS 46.40.100.

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Sec. 41.17.630. EXEMPTION. Agreements for the management of state timber under AS 41.17.500 - 41.17.640 are exempt from AS 36.30.

Sec. 41.17.640. DEFINITIONS. In AS 41.17.500 - 41.17.640

(1) "annual harvesting plan" is a site specific plan that identifies on maps locations of roads and harvest units, gives estimated volumes by species, miles of road to be constructed, facilities to be constructed and mitigating measures for protection of other associated resources, and provides details of management such as engineering, silviculture, enhancement projects for fish and wildlife habitat, and protection of water quality in a forest stewardship agreement;

(2) "area plan" means a regional land use plan adopted under AS 38.04.065 that is developed to provide management direction for the multiple-use of the forest resources of the state, prepared by the department, and involves interagency and public participation;

(3) "five-year operating plan" is a description of management and harvest activities over a five-year period that may include the general location of units, roads, volumes to be harvested, and necessary improvements in a forest stewardship agreement;

(4) "management plan" means a regional land use plan adopted under AS 38.05.065 that makes more detailed allocation decisions, and gives more detailed guidance for management than an area plan, is prepared by the department, and involves interagency and public participation;

(5) "master plan" means a general resource use plan to provide direction for the harvesting of timber and management of other resources in a forest stewardship agreement; and

(6) "small operator" means a timber business that

(A) employs an average of 25 or fewer full-time

1 equivalent employees;

2 (B) is not owned, in whole or in part, by the operator
3 under a forest stewardship agreement; and

4 (C) is not controlled by contract or agreement by the
5 timber operator.

6 * Sec. 2. AS 36.30.850(b) is amended by adding a new paragraph to read:
7 (18) agreements for the management of state timber under
8 AS 41.17.500 - 41.17.640.

9 * Sec. 3. AS 38.05.120 is amended by adding a new subsection to read:
10 (b) The commissioner may also dispose of timber under AS 41.17.-
11 500 - 41.17.640

12 * Sec. 4. AS 38.05.945(a) is amended to read:

13 (a) This section establishes the requirements for notice given
14 by the department for the following actions:

15 (1) classification or reclassification of state land under
16 AS 38.05.300 and the closing of land to mineral leasing or entry under
17 AS 38.05.185;

18 (2) zoning of land under applicable law;

19 (3) a decision under AS 38.05.035(e) regarding the sale,
20 lease, or disposal of an interest in state land or resources;

21 (4) a competitive disposal of an interest in state land or
22 resources after final decision under AS 38.05.035(e);

23 (5) a public hearing under AS 38.05.856(b);

24 (6) a preliminary finding under AS 38.05.035(e) and 38.05.-
25 855(c) concerning sites for aquatic farms and related hatcheries;

26 (7) notice of intent to consider a forest stewardship
27 agreement under AS 41.17.530;

28 (8) notice of intent to grant stumpage credits for con-
29 struction under AS 41.17.550(a)(2) or additional silviculture under

1 AS 41.17.550(a)(3);

2 (9) adoption of a best interest finding, a forest steward-
3 ship agreement, a master plan, a five-year operating plan, or the
4 annual harvesting plan under AS 41.17.570;

5 (10) excension of a forest stewardship agreement under
6 AS 41.17.600(b).

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Fish and Game
 Title: Forest Stewardship Agreement Bill BRU: _____
 Sponsor: Menard Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		181.8				
TRAVEL		6.0				
CONTRACTUAL		15.0				
SUPPLIES		2.0				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		204.8				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		4				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: *Frank Rue* Frank Rue, Director Phone: 465-4105
 Division: Habitat Date: 3/22/89
 Approved by Commissioner: _____ Date: _____
 Agency: Department of Fish and Game

Distribution (by preparer) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

FISCAL NOTE ANALYSIS
Forest Stewardship Agreement Bill

This bill would allow state forest lands, which are currently required to be managed for multiple use and classified as to use under the state land planning process, to be administratively designated for forestry as a primary use by the Commissioner of ADNR, and transferred to a timber company for long-term management.

Resources conflicts which are currently resolved through the land planning, public review, and governmental decision making process would not be resolved through stewardship agreements. This would necessitate increased reliance on field monitoring and enforcement to protect anadromous streams and fish passage. Trying to resolve resource conflicts with the concessionaire is expected to be much more difficult because of the cost to the concessionaire. This would necessitate a substantial increase in ADF&G field staff.

FISCAL NOTE

REQUEST:

Revision Date: 4-27-89
Title: An act relating to forest stewardship agreements
Sponsor: Monard And Larson
Requestor: House Resources

Agency Affected: Natural Resources
BRU: Forest Management
Components: Forest Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		157.7				
TRAVEL		21.0				
CONTRACTUAL		22.5				
SUPPLIES		2.5				
EQUIPMENT		28.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		228.7				

CAPITAL						
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REVENUE						
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FUNDING: (Thousands of Dollars)

GENERAL FUND		228.7				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached

Prepared by: George K. Hollett
Division: Forestry

Phone: 465-2491
Date: 5-5-89

Approved by Commissioner: [Signature]
Agency: _____

Date: 5/5/89

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CS HB 205 (RES) ANALYSIS

Assumptions: Regulations will have to be developed to establish the requirements of a forest stewardship agreement as well as those of determining a qualified bidder.

Several new plans must be developed and taken through the public review process.

Program Summary: The Natural Resource Manager I positions to be located in Anchorage and Fairbanks along with a Logging Engineer position will develop the regulations and new plans and take them through the review process.

The public review process called for will be very extensive and require travel to many communities in order to have acceptance of the proposed FSA. As new plans are developed they must be taken public requiring a large printing and distribution.

There will be a need for new vehicles for the positions in order to travel to the field in developing the necessary data. On the ground inspection is necessary to be able to comment and review on any plans submitted by a FSA holder.

Development of new forest industries will have good effects on the state and local government economy by bringing in additional revenue and creation of jobs. The local government will also benefit by increase in demand for other products and supplies thereby adding additional jobs within the communities.

1.	POSITION TITLE Natural Resource Manager I				RANGE/STEP 18/A	BARG. UNIT GG	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position will be the lead person responsible for drafting required regulations and taking through the public review process with the Anchorage Area.</p> <p>Prepare a plan for administration oversight of a FSA within the Mat-Su valley and take it to the affected state agencies.</p> <p>Develop actions necessary to prepare one FSA and take it through the review process to completion.</p> <p>Work with Logging Engineer and Northern NRM I in developing the required contract and any additional plans that must be developed.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	12 x 3113	37.4							
6.	Benefits	12 x 1119	13.4							
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES		01	50.8						
10.	Travel		02	8.0						
11.	Contractual		03	10.0						
12.	Commodities		04	1.0						
13.	Equipment		05	10.0						
14.	Other									
15.	TOTAL COST			79.8						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		79.8						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR R&M USE ONLY										
KEY NUMBER - - - - -										

REQUEST FOR
NEW POSITION

AGENCY Natural Resources

BRU Forest Management

COMPONENT Forest Management

FY 90

Page 1 of 1

Revised Date _____

1.	POSITION TITLE Logging Engineer				RANGE/STEP 18/A	BARC. UNIT GG	PAGE/LINE	GOV.	APPROV.	DISAPP		
2.	TYPE OF POSITION	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7	LEG.				
3.	CONTINUATION LEVEL				JUSTIFICATION:							
4.	TYPE OF EXPENDITURE				<p>This position will be the Division of Forestry field Engineer. In order to know what can and what can not be done in road development this position will be working on the ground with the NRM 1's. Transportation information is needed to work into the appraisals and will be necessary for the agency and public review.</p> <p>Access development is necessary in any areas that may be purposed as FSA's and will become a part of the selection process of a concessionaire. The Division does not have this capability at present.</p>							
	1		2								3	
	PERSONAL SERVICES											
5.	Salary 12 x 3113		37.4									
6.	Benefits 12 x 1119		1.4									
7.	Supplemental Benefits											
8.	Fixed Benefits											
9.	TOTAL PERSONAL SERVICES		01								50.8	
10.	Travel		02								5.0	
11.	Contractual		03								2.5	
12.	Commodities		04								0.5	
13.	Equipment		05								8.0	
14.	Other											
15.	TOTAL COST										66.8	
	RECEIPT CODE	FUNDING SOURCE										
16.		Federal Receipts 1002										
17.		G.F. Match 1003										
18.		General Funds 1004			66.8							
19.		I-A Receipts 1005										
20.		Program Receipts 1028										
21.		Other										
	FOR B&M USE ONLY											
	KEY NUMBER - - - - -											

REQUEST FOR
NEW POSITION

AGENCY Natural Resources
BRU Forest Management
COMPONENT Forest Management

FY 90

Page 1 of 1
Revised Date

1.	POSITION TITLE Natural Resource Manager 1				RANGE/STEP 18/A	BARG. UNIT GG	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PIT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 20	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position will help develop the required regulations and take them through the public review process in the Fairbanks area.</p> <p>Prepare a plan for administrative oversight of a FSA within the Northern Region and take it to the affected State Agencies.</p> <p>Develop actions necessary to prepare one FSA and take it through the review process to completion.</p> <p>Work with the Logging Engineer and Southcentral NRM 1 in developing the required contact and any additional plans that must be developed.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	12 x 3237	38.8							
6.	Benefits	12 x 1194	14.3							
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES		01	53.1						
10.	Travel		02	8.0						
11.	Contractual		03	10.0						
12.	Commodities		04	1.0						
13.	Equipment		05	10.0						
14.	Other									
15.	TOTAL COST			82.1						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		82.1						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR BSM USE ONLY										
KEY NUMBER										

REQUEST FOR
NEW POSITION

AGENCY Natural Resources

BRU Forest Management

COMPONENT Forest Management

FY 90

Page 1 of 1

Revised Date

6-0749E

Bradley
4/27/89

Original sponsors: Menard and Larson
By Request

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 205 (Resources)

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. AS 41.17 is amended by adding new sections to read:

9 ARTICLE 5A. FOREST STEWARDSHIP AGREEMENTS.

10 Sec. 41.17.500. PURPOSE. (a) The purpose of AS 41.17.500 -
11 41.17.640 is to authorize the commissioner to enter into forest stew-
12 ardship agreements that may include provisions for the development of
13 a forest products plant and facilities or services such as reforesta-
14 tion, road construction and maintenance, recreation improvements, and
15 fish and wildlife habitat protection, monitoring of activities under a
16 forest stewardship agreement, and the enforcement of terms, condi-
17 tions, and laws protecting other beneficial uses of state land.

18 (b) A forest stewardship agreement must provide for consider-
19 ation of other existing beneficial uses of forest land in an agreezment
20 under AS 41.17.500 - 41.17.640.

21 (c) A forest stewardship agreement may

22 (1) relieve the state of some of the administrative respon-
23 sibility of developing and managing a timber sale;

24 (2) provide for the long-term management of state timber,
25 creating stability for the forest products industry, and incentives
26 for the responsible use of state timber; and

27 (3) provide an operator with a stable source of timber from
28 a designated area on the basis of successive renewals of contractual
29 rights.

1 (d) The provisions of AS 41.17.500 - 41.17.640 do not affect the
2 obligation of an operator to comply with state laws or regulations on
3 environmental conservation, timber practices, fish and game, or any
4 other resource or use of a resource.

5 Sec. 41.17.510. FOREST STEWARDSHIP AGREEMENTS. (a) The commis-
6 sioner may, after consultation with the commissioners of environmental
7 conservation, fish and game, and commerce and economic development and
8 with affected municipalities, enter into an agreement for the manage-
9 ment of the forest resources of the state under AS 41.17.500 - 41.17.-
10 640.

11 (b) A forest stewardship agreement is subject to each applicable
12 state and federal law and regulation in effect on the effective date
13 of the agreement and to each applicable law and regulation adopted
14 after the effective date of the agreement.

15 Sec. 41.17.520. PLANS. (a) A forest stewardship agreement
16 entered into under AS 41.17.500 - 41.17.640 must be consistent with
17 the Alaska coastal management program, an area and a management plan
18 adopted by the commissioner under AS 38.04.065, and a land classifi-
19 cation adopted by the commissioner under AS 38.05.300. A management
20 plan that allows forest stewardship agreements must include

21 (1) an inventory of human uses and renewable and nonrenew-
22 able resources in the area;

23 (2) location, type, and duration of access for forest
24 management;

25 (3) operable timber base areas that may be harvested;

26 (4) annual allowable cut as determined by the commissioner;

27 (5) silvicultural prescriptions;

28 (6) possible facility development;

29 (7) area-specific management practices or prescriptions

1 needed in addition to forest practices regulations and best management
2 practices to protect or enhance fish and wildlife habitat and harvest,
3 public recreation, water quality, and other significant public or
4 private resources and uses of the area.

5 (b) Before the commissioner enters into a forest stewardship
6 agreement, a bidder selected under AS 41.17.560 shall submit a master
7 plan for implementation of the proposed forest stewardship agreement,
8 a five-year operating plan and an annual harvesting plan for the first
9 two years of operation. The commissioner shall prepare a plan for
10 administrative oversight of the forest stewardship agreement in con-
11 sultation with other affected state agencies. The master, operating,
12 harvesting, and administrative plans are subject to agency and public
13 review under AS 41.17.570.

14 (c) Each year the operator shall prepare and the commissioner
15 shall review and shall approve, reject, or require a revision of an
16 annual harvesting plan. During the term of a forest stewardship
17 agreement the operator shall annually update the master plan and
18 five-year operating plans subject to the approval of the commissioner.

19 Sec. 41.17.530. NOTICE OF INTENT TO DEVELOP AN AGREEMENT. After
20 meeting the planning requirements under AS 41.17.520(a) and before a
21 forest stewardship agreement is offered for bid under AS 41.17.560,
22 the commissioner shall publish notice under AS 36.05.945 of the inten-
23 tion to consider a forest stewardship agreement for an area. The
24 commissioner shall provide written notice to private property owners
25 within and adjacent to the proposed agreement area and shall hold
26 public hearings in affected communities.

27 Sec. 41.17.540. REQUIREMENTS OF FOREST STEWARDSHIP AGREEMENT.

28 (a) A forest stewardship agreement for the harvest of state timber
29 under this section must provide for

1 (1) the term of the initial agreement, not to exceed 20
2 years, and the conditions for an extension of the term under AS 41.-
3 17.600;

4 (2) the stumpage prices to be charged for the timber and a
5 periodic review and, if appropriate, adjustment of the stumpage
6 prices;

7 (3) the penalties for the violation of the terms of the
8 agreement and provisions for termination of the agreement under (d) of
9 this section;

10 (4) an annual update of the master and operating plans;

11 (5) public use of state land involved in the forest stew-
12 ardship agreement, except that the commissioner may limit access in an
13 area that is being harvested or where hazardous conditions exist;

14 (6) the protection of multiple uses, such as mining, recre-
15 ation, and fish and wildlife habitat and harvest;

16 (7) performance and payment bonds from the purchaser to
17 protect the interests of the state;

18 (8) specific mitigating measures and monitoring plans to
19 protect water quality;

20 (9) protection of state-owned land within a minimum of 100
21 feet of rivers, lakes, or streams to provide soil stability, protect
22 fish and wildlife habitat, water quality, and other important uses,
23 although more state land may be protected as determined in the master
24 plan, the five-year operating plan, or the annual harvesting plan;

25 (10) provisions to protect or enhance areas of high public
26 value other than timber;

27 (11) the maximum annual allowable cut as determined by the
28 commissioner;

29 (12) the maximum and minimum development requirements as

1 determined by the commissioner;

2 (13) the preclusion of a contractor under a forest steward-
3 ship agreement from bidding on timber sales of 5,000,000 board feet or
4 less under AS 38.05.115;

5 (14) the preparation of reports required by the commission-
6 er; and

7 (15) other terms, conditions, and limitations determined to
8 be in the public interest by the commissioner.

9 (b) The commissioner shall establish by regulation the require-
10 ments of a forest stewardship agreement for access, development, har-
11 vest, management, and reforestation of timber and the contents of
12 plans required under AS 41.17.520(b).

13 (c) A forest stewardship agreement may require the purchaser to

14 (1) enter into a reimbursable services agreement with the
15 state for monitoring and enforcement of the terms and conditions of
16 the agreement and applicable state law;

17 (2) compensate the state for the scaling services required
18 to account for the timber sold;

19 (3) construct and maintain roads required for the harvest
20 of timber by the agreement; and

21 (4) designate not less than 20 percent of the timber volume
22 to be subcontracted to a small operator; the commissioner shall make
23 the final designation from areas included in the operating plan.

24 (d) A forest stewardship agreement entered into or extended
25 under AS 41.17.500 - 41.17.640 must contain a requirement that the
26 operator comply with the terms of the forest stewardship agreement and
27 AS 41.17.500 - 41.17.640 and must contain conditions under which the
28 agreement may be terminated or subject to other penalties including a
29 cease and desist order, a fine, a reduction in the allowable cut,

1 location or cutting periods, or other remedies as determined by the
2 commissioner on a finding that the operator has not complied with the
3 terms of the agreement or with state law.

4 Sec. 41.17.550. CREDITS. (a) In a forest stewardship agree-
5 ment, the commissioner may provide, subject to (c) of this section,
6 for contractor credit against future stumpage payments due under the
7 forest stewardship agreement. A credit against future stumpage is not
8 transferable between contractors or between sales and may not be paid
9 in cash. A credit may not exceed the value owed to the state. A
10 credit against future stumpage payments may be granted for the

11 (1) loss of roads and drainage structures that
12 (A) have future value to the state; and
13 (B) are lost through an act of God not due to negli-
14 gence on the part of the contractor;

15 (2) construction that
16 (A) does not directly contribute to the management or
17 harvest of timber resources such as recreation improvements;
18 (B) was not included in the initial agreement or its
19 extensions; and

20 (C) is reviewed by affected agencies and authorized in
21 advance by the commissioner; or

22 (3) additional silviculture treatments beyond those re-
23 quired in the forest stewardship agreement.

24 (b) The commissioner shall provide public notice under AS 38.-
25 05.945 before granting a credit under (a)(2) or (3) of this section.

26 (c) The grant of credit against future stumpage payments under
27 this section may be made under the following procedures:

28 (1) the commissioner shall submit a report to the Legisla-
29 tive Budget and Audit Committee on the credit that is proposed to be

1 granted;

2 (2) 45 days must elapse before the grant of the credit
3 unless the Legislative Budget and Audit Committee recommends that the
4 grant of credit be made;

5 (3) if within the 45-day period the Legislative Budget and
6 Audit Committee recommends that the commissioner not grant the credit,
7 the commissioner shall again review the proposed grant of credit;

8 (4) if the commissioner decides to grant the credit after
9 further review, the commissioner shall provide a statement of the
10 commissioner's reasons for granting the credit before the grant of the
11 credit is made.

12 Sec. 41.17.560. MOST QUALIFIED BIDDER DETERMINED. (a) The
13 commissioner shall determine the most qualified bidder for a forest
14 stewardship agreement based on minimum qualifications established for
15 bidders in regulations and in a multiple variable bid process. In
16 reviewing bids received the commissioner shall consider

17 (1) the stumpage payments proposed by the bidder;

18 (2) the amount of the investment in plant and facilities
19 proposed by the bidder;

20 (3) the forest resource utilization standards proposed by
21 the bidder;

22 (4) the number of jobs to be provided by the bidder;

23 (5) road construction, reforestation, and recreation im-
24 provements requested by the commissioner;

25 (6) measures proposed by the bidder to maintain, enhance,
26 or mitigate the effects on other beneficial uses or resources of
27 forest land; and

28 (7) other items requested by the commissioner or offered by
29 the bidder.

1 (b) Before requesting bids or accepting applications, the com-
2 missioner shall adopt regulations detailing the bidding procedure and
3 the method of determining the most qualified bidder.

4 Sec. 41.17.570. REVIEW AND PUBLIC NOTICE. Before the commis-
5 sioner enters into or extends an agreement or makes a finding under
6 AS 41.17.580, the proposed agreement, the proposed best interest
7 finding under AS 41.17.580, and each plan prepared under AS 41.17.-
8 520(b) and (c) shall be reviewed by the commissioners of environmental
9 conservation, fish and game, and commerce and economic development and
10 by affected municipalities. The commissioner shall provide public
11 notice under AS 38.05.945 before adopting the best interest finding,
12 the proposed agreement, the master plan, the five-year operating plan,
13 and the annual harvesting plan and shall hold appropriate public
14 hearings.

15 Sec. 41.17.580. BEST INTEREST FINDING. Before the commissioner
16 enters into or extends an agreement, the commissioner shall issue a
17 written finding that the proposed agreement or extension is in the
18 best interest of the state.

19 Sec. 41.17.590. INCREMENTAL VOLUME AVAILABLE. If allowed in an
20 agreement, at any time during an agreement the commissioner may make
21 incremental volume available to the contractor if the commissioner
22 determines that forest management by the contractor has increased the
23 annual allowable cut consistent with the other objectives of the
24 agreement.

25 Sec. 41.17.600. EXTENSIONS OF FOREST STEWARDSHIP AGREEMENT. (a)
26 Each five years of the agreement, either during or after the initial
27 term of the agreement, the commissioner may extend the forest steward-
28 ship agreement if

29 (1) the term of the extension does not exceed five years;

1 (2) the contractor submits a proposed operating plan for
2 the next five years of operation and amends the master plan for the
3 forest stewardship agreement, as the commissioner considers necessary;
4 and

5 (3) the commissioner, after review of existing and proposed
6 operations and consultation with the commissioners of environmental
7 conservation, fish and game, and commerce and economic development,
8 and with other affected agencies and municipalities finds that the
9 operator has complied with AS 41.17.500 - 41.17.640 and the terms of
10 the forest stewardship agreement.

11 (b) Before extending a forest stewardship agreement, the commis-
12 sioner shall

13 (1) adopt a best interest finding under AS 41.17.580; and

14 (2) provide public notice under AS 38.05.945 and hold
15 appropriate public hearings.

16 Sec. 41.17.610. ACCOUNTING. The commissioner of administration
17 shall separately account for money received under this section that
18 the department deposits in the general fund. The annual estimated
19 balance in the account may be used by the legislature to make appro-
20 priations to the department to carry out the purposes of AS 41.17.-
21 500 - 41.17.640.

22 Sec. 41.17.620. OTHER AUTHORITIES UNAFFECTED. The provisions of
23 AS 41.17.500 - 41.17.640 do not affect the authority of

24 (1) the Department of Fish and Game, the Board of Fisher-
25 ies, or the Board of Game under AS 16 or AS 41.99.010;

26 (2) the Department of Environmental Conservation under
27 AS 46.03; or

28 (3) state agencies and municipalities under AS 44.19.-
29 145(a)(11) and AS 46.40.100.

1 Sec. 41.17.630. EXEMPTION. Agreements for the management of
2 state timber under AS 41.17.500 - 41.17.640 are exempt from AS 36.30.

3 Sec. 41.17.640. DEFINITIONS. In AS 41.17.500 - 41.17.640

4 (1) "annual harvesting plan" is a site specific plan that
5 identifies on maps locations of roads and harvest units, gives esti-
6 mated volumes by species, miles of road to be constructed, facilities
7 to be constructed and mitigating measures for protection of other
8 associated resources, and provides details of management such as
9 engineering, silviculture, enhancement projects for fish and wildlife
10 habitat, and protection of water quality in a forest stewardship
11 agreement;

12 (2) "area plan" means a regional land use plan adopted
13 under AS 38.04.065 that is developed to provide management direction
14 for the multiple-use of the forest resources of the state, prepared by
15 the department, and involves interagency and public participation;

16 (3) "five-year operating plan" is a description of manage-
17 ment and harvest activities over a five-year period that may include
18 the general location of units, roads, volumes to be harvested, and
19 necessary improvements in a forest stewardship agreement;

20 (4) "management plan" means a regional land use plan adopt-
21 ed under AS 38.05.065 that makes more detailed allocation decisions,
22 and gives more detailed guidance for management than an area plan, is
23 prepared by the department, and involves interagency and public par-
24 ticipation;

25 (5) "master plan" means a general resource use plan to
26 provide direction for the harvesting of timber and management of other
27 resources in a forest stewardship agreement; and

28 (6) "small operator" means a timber business that

29 (A) employs an average of 25 or fewer full-time

1 equivalent employees;

2 (B) is not owned, in whole or in part, by the operator
3 under a forest stewardship agreement; and

4 (C) is not controlled by contract or agreement by the
5 timber operator.

6 * Sec. 2. AS 36.30.850(b) is amended by adding a new paragraph to read:

7 (18) agreements for the management of state timber under
8 AS 41.17.500 - 41.17.640.

9 * Sec. 3. AS 38.05.120 is amended by adding a new subsection to read:

10 (b) The commissioner may also dispose of timber under AS 41.17.-
11 500 - 41.17.640.

12 * Sec. 4. AS 38.05.945(a) is amended to read:

13 (a) This section establishes the requirements for notice given
14 by the department for the following actions:

15 (1) classification or reclassification of state land under
16 AS 38.05.300 and the closing of land to mineral leasing or entry under
17 AS 38.05.185;

18 (2) zoning of land under applicable law;

19 (3) a decision under AS 38.05.035(e) regarding the sale,
20 lease, or disposal of an interest in state land or resources;

21 (4) a competitive disposal of an interest in state land or
22 resources after final decision under AS 38.05.035(e);

23 (5) a public hearing under AS 38.05.856(b);

24 (6) a preliminary finding under AS 38.05.035(e) and 38.05.-
25 855(c) concerning sites for aquatic farms and related hatcheries;

26 (7) notice of intent to consider a forest stewardship
27 agreement under AS 41.17.530;

28 (8) notice of intent to grant stumpage credits for con-
29 struction under AS 41.17.550(a)(2) or additional silviculture under

1 AS 41.17.550(a)(3);

2 (9) adoption of a best interest finding, a forest steward-
3 ship agreement, a master plan, a five-year operating plan, or t/
4 annual harvesting plan under AS 41.17.570;

5 (10) extension of a forest stewardship agreement under
6 AS 41.17.600(b).

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ENCLOSURE 2

Section 1 It is not clear if the intent statement covers all forest resources or just timber. Fish and wildlife resources are managed for optimum rather than maximum sustained use, and it is reasonable to expect timber to be harvested for optimum rather than maximum sustained yield as well. Otherwise logging can be expected to have a disproportionately negative impact on fish and wildlife.

Section 2 Even though the private sector would be given state-owned timberlands to manage, in reality, the state would still pay the costs of management indirectly through reduced stumpage fees or some other mechanism. There would also be a need for the state to maintain a staff of foresters, auditors, and other experts to ensure that concessionaires are living up to the terms of their agreements.

Section 3 To our knowledge, FMA's have never been used in the United States. Montana considered but rejected the idea (enclosed). We have not seen any information which demonstrates that an FMA is the best way to manage state-owned timber, or that it will not have a very negative impact on the production and management of other public resources. Some Canadian economists and foresters believe that FMAs are an impediment to efficient forest management.

Section 41.17.092(a) This section states that the commissioner may enter into an FSA "with a person doing business in the state for the purpose of protecting, enhancing, or using the natural resources of the state." It is unclear whether the FSA is limited to forestry or includes natural resources such as fish and wildlife, sand and gravel, or oil and gas. It is also unclear what rights the concessionaire would be given to these resources and what the legal basis would be for doing so. The intent of this section and its scope are not evident.

(b) This section allows the imposition of FSAs on any state lands except for state parks. This would appear to include lands where forestry may not be an allowed use or a primary use under the state land classification system. There is not any provision for public review to see if the public wants these lands managed under a FSA, or for a process to determine what impacts an FSA would have on other resources and industries. There is also a question of whether the commissioner could enter into an agreement designating a very large tract of land to a single use without legislative approval.

(c) The reason and justification for a 20-year term is not indicated. It seems irrelevant if the commissioner is required to extend the contract five years in perpetuity for "faithful performance." It seems that there should be a requirement for the commissioner to determine if renewal is in the public interest, regardless of how the concessionaire has performed. Because economic factors change, and new environmental information becomes available, the commissioner should have the discretion to renew or not.

(d) The commissioner should be required to also (1) apply any pertinent terms and conditions from state land use plans in the area, and (2) conduct a pre-FSA analysis to determine what site-specific mitigation measures are necessary to protect fish and wildlife habitats and other forest resources and uses. This analysis and public review should consider whether the area should be leased under an FSA and what tracts should be deleted because a FSA would be incompatible with existing uses and resources.

(f) This section appears contradictory. It requires a five-year allowable cut determination, but allows the annual harvest to exceed up to five times the annual allowable harvest. It appears that the concessionaire could cut his five-year allowance in one year and then sit idle for four years. It also seems that this section allows the concessionaire to exceed the annual allowable cut for a longer period of time if there is a reason for doing so. This section should require the commissioner to calculate the optimal harvest level which would be the annual allowable cut minus any volume that is required to buffer fish streams, maintain important wildlife habitats, protect water quality, maintain recreational quality, and other factors. This annual allowable cut should not be exceeded because of its effect on other resources.

(i) The requirement to set aside 20 percent of the land subject to an FSA for competitive bidding seems inconsistent. There appears no reason to include this land within an FMA at all, since it wouldn't be managed by the concessionaire. It is unclear why the state should pay for improvements to forest lands that the state didn't request.

(j) Although there is a requirement to provide public access, restrictions of such access that were deemed necessary by logging companies have been a criticism of Canadian FMAs. A company may try to protect itself by blocking public access to all bridges and facilities which might incur liability. Specific criteria should be included specifying when it is not acceptable to block public access.

Section 14.17.094 The commissioner should not prepare a list of areas suitable for FSAs without a public planning process and public hearings. A social, economic, and environmental analysis should be done before including any area on this list.

Section 41.17.096(b) Because members of the Board of Forestry have a financial interest in the forest products industry, there is some question about the propriety of their participating in the selection process.

(d) The meaning and intent of Section (d) is not clear. It is unclear what is meant by "cooperative resource management and development agreement" and how it differs from an FSA.

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Fish and Game
 Title: Forest Stewardship
Agreement Bill BRU: _____
 Sponsor: Menard Components: _____
 Requestor: _____

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		181.8				
TRAVEL		6.0				
CONTRACTUAL		15.0				
SUPPLIES		2.0				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		204.8				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		4				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

Prepared by: *Frank Rue* Frank Rue, Director Phone: 465-4105
 Division: Habitat Date: 3/22/89
 Approved by Commissioner: _____ Date: _____
 Agency: Department of Fish and Game

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

FISCAL NOTE ANALYSIS
Forest Stewardship Agreement Bill

This bill would allow state forest lands, which are currently required to be managed for multiple use and classified as to use under the state land planning process, to be administratively designated for forestry as a primary use by the Commissioner of ADNR, and transferred to a timber company for long-term management.

Resource conflicts which are currently resolved through the land planning, public review, and governmental decision making process would not be resolved through stewardship agreements. This would necessitate increased reliance on field monitoring and enforcement to protect anadromous streams and fish passage. Trying to resolve resource conflicts with the concessionaire is expected to be much more difficult because of the cost to the concessionaire. This would necessitate a substantial increase in ADF&G field staff.

FISCAL NOTE

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REQUEST:

Revision Date: 4-27-89
Title: Ag act relating to forest stewardship agreements
Sponsor: Howard And Larson
Requestor: House Resources

Agency Affected: Natural Resources
BRU: Forest Management
Components: Forest Management

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES		157.7				
TRAVEL		21.0				
CONTRACTUAL		22.5				
SUPPLIES		3.5				
EQUIPMENT		28.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		228.7				
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND		228.7				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS:

FULL-TIME		3				
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary)

See attached

Prepared by: George K. Hollett
Division: Forestry

Phone: 465-2491
Date: 5-5-89

Approved by Commissioner: *[Signature]*
Agency: _____

Date: 5/5/89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

CS HB 205 (RES) ANALYSIS

Assumptions: Regulations will have to be developed to establish the requirements of a forest stewardship agreement as well as those of determining a qualified bidder.

Several new plans must be developed and taken through the public review process.

Program Summary: The Natural Resource Manager I positions to be located in Anchorage and Fairbanks along with a Logging Engineer position will develop the regulations and new plans and take them through the review process.

The public review process called for will be very extensive and require travel to many communities in order to have acceptance of the proposed FSA. As new plans are developed they must be taken public requiring a large printing and distribution.

There will be a need for new vehicles for the positions in order to travel to the field in developing the necessary data. On the ground inspection is necessary to be able to comment and review on any plans submitted by a FSA holder.

Development of new forest industries will have good effects on the state and local government economy by bringing in additional revenue and creation of jobs. The local government will also benefit by increase in demand for other products and supplies thereby adding additional jobs within the communities.

1.	POSITION TITLE Natural Resource Manager I				R/RANGE/STEP 18/A	BARG. UNIT GG	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE			AMOUNT	<p>This position will be the lead person responsible for drafting required regulations and taking through the public review process with the Anchorage Area.</p> <p>Prepare a plan for administration oversight of a FSA within the Mat-Su valley and take it to the affected state agencies.</p> <p>Develop actions necessary to prepare one FSA and take it through the review process to completion.</p> <p>Work with Logging Engineer and Northern NRM I in developing the required contract and any additional plans that must be developed.</p>					
	1	2	3							
	PERSONAL SERVICES									
5.	Salary	12 x 3113	37.4							
6.	Benefits	12 x 1119	13.4							
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES		01	50.8						
10.	Travel		02	8.0						
11.	Contractual		03	10.0						
12.	Commodities		04	1.0						
13.	Equipment		05	10.0						
14.	Other									
15.	TOTAL COST			79.8						
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		79.8						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
	FOR B&M USE ONLY									
	KEY NUMBER - - - - -									

REQUEST FOR NEW POSITION

AGENCY Natural Resources

BRU Forest Management

COMPONENT Forest Management

Page 1	of 1
Revised Date	

1.	POSITION TITLE Logging Engineer				RANGE/STEP 18/A	BARG. UNIT GG	PAGE/LINE	GOV.	APPROV.	DISAPP		
2.	TYPE OF POSITION	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7	LEG.				
3.	CONTINUATION LEVEL				JUSTIFICATION:							
4.	TYPE OF EXPENDITURE				<p>This position will be the Division of Forestry field Engineer. In order to know what can and what can not be done in road development this position will be working on the ground with the NRM 1's. Transportation information is needed to work into the appraisals and will be necessary for the agency and public review.</p> <p>Access development is necessary in any areas that may be purposed as FSA's and will become a part of the selection process of a concessionaire. The Division does not have this capability at present.</p>							
	1		2								3	
	PERSONAL SERVICES											
5.	Salary 12 x 3113		37.4									
6.	Benefits 12 x 1119		1.4									
7.	Supplemental Benefits											
8.	Fixed Benefits											
9.	TOTAL PERSONAL SERVICES		01								50.8	
10.	Travel		02								5.0	
11.	Contractual		03								2.5	
12.	Commodities		04								0.5	
13.	Equipment		05								8.0	
14.	Other											
15.	TOTAL COST										66.8	
	RECEIPT CODE	FUNDING SOURCE										
16.		Federal Receipts 1002										
17.		G.F. Match 1003										
18.		General Funds 1004		66.8								
19.		I-A Receipts 1005										
20.		Program Receipts 1028										
21.		Other										
	FOR B&M USE ONLY											
	KEY NUMBER											

REQUEST FOR
NEW POSITION

AGENCY Natural Resources

BRU Forest Management

COMPONENT Forest Management

Page 1 of 1

Revised Date

1.	POSITION TITLE Natural Resource Manager I				RANGE/STEP 18/A	BARG. UNIT GG	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 20	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
	ADDITION			x						
4.	TYPE OF EXPENDITURE			AMOUNT						
	1	2		3						
	PERSONAL SERVICES									
5.	Salary	12 x 3237		38.9						
6.	Benefits	12 x 1194		14.3						
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES			01	53.1					
10.	Travel			02	8.0					
11.	Contractual			03	10.0					
12.	Commodities			04	1.0					
13.	Equipment			05	10.0					
14.	Other									
15.	TOTAL COST			82.1						
	RECEIPT CODE			FUNDING SOURCE						
16.				Federal Receipts 1002						
17.				G.F. Match 1003						
18.				General Funds 1004						82.1
19.				I-A Receipts 1005						
20.				Program Receipts 1028						
21.				Other						
FOR B&M USE ONLY										
KEY NUMBER - - - - -										

JUSTIFICATION:

This position will help develop the required regulations and take them through the public review process in the Fairbanks area.

Prepare a plan for administrative oversight of a FSA within the Northern Region and take it to the affected State Agencies.

Develop actions necessary to prepare one fSA and take it through the review process to completion.

Work with the Logging Engineer and Southcentral NRM I in developing the required contact and any additional plans that must be developed.

REQUEST FOR
NEW POSITION

AGENCY Natural Resources

BRU Forest Management

COMPONENT Forest Management

Page 1 of 1

Revised Date

**STATE OF ALASKA
1990 LEGISLATIVE SESSION**

BILL VERSION : CSHB 205
PUBLISH DATE : _____

FISCAL NOTE

REQUEST:

Revision Date: 1-Feb-90 Agency Affected: Natural Resources
Title: An Act relating to Forest BRU: Forest Management
Stewardship Agreements _____
Sponsor: Menard and Larson Components: Forest Management
Requestor: House Judicial

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	154.7	154.7	159.3	164.1	169.0	174.0
TRAVEL	21.0	21.0	15.0	15.0	16.0	16.0
CONTRACTUAL	22.5	27.0	15.0	15.0	15.0	15.0
SUPPLIES	2.5	2.5	2.5	3.0	3.0	3.5
EQUIPMENT	28.0			20.0		
LAND&STRUCTURES						
GRANTS,CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	228.7	205.2	191.8	217.1	203.0	208.5
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND	228.7	205.2	191.8	217.1	203.0	208.5
FEDERAL FUNDS						
OTHER						
TOTAL	228.7	205.2	191.8	217.1	203.0	208.5

POSITIONS:

FULL-TIME	3.0	3.0	3.0	3.0	3.0	3.0
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

See Attached

Prepared by: George K. Hollett Phone: 762-2503
Division: Forest Management Date: 1-Feb-90
Approved by Commissioner: [Signature] Dennie Gorsuch Date: 1-Feb-90
Agency: Department of Natural Resources

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CS HB 205 (RES) ANALYSIS

Assumptions: Regulations will have to be developed to establish the requirements of a Forest Stewardship Agreement as well as those of determining a qualified bidder.

New management plans must be developed to cover the detailed information needed for allocation decisions and area management. When developed, the plans must be taken through the public review process.

Program Summary: After passage of the bill, a set of regulations must be developed as required by AS 41.17.520, AS 41.17.540 (b) and AS 41.17.560 (a) & (b). The Natural Resource Manager I based in Anchorage and the one in Fairbanks will have the responsibilities to develop the regulations and take them through the agency and public review process. This process can take anywhere from six months to a year to arrive at regulations that are acceptable to all.

The Forest Engineer position will be working on conceptual transportation plans and other access related data that will be needed in the development of the management plans. This information will also be used in the development of appraisals and contracts.

When the regulations are at a stage of agency and public review, the three positions will begin work on data gathering for management plan development. These plans will take anywhere from one to three years to develop and take through the public review process.

The full review process called for will be very extensive and require travel to many communities both for the regulations and the management plans. A well informed public is necessary to have acceptance of the program. Travel will be heaviest during the development of regulations and management plans.

Space to house the three new positions will be necessary so funding to cover this additional cost and the necessary administrative costs are included.

Printing and distribution of the new management plans and regulations will be required as the public will be very interested in keeping an eye on the stewardship agreements. Major distribution will take place in the first three years.

There will be a one time need to purchase snow machines and pickups for the positions in order to travel to the field in development of the necessary data for the management plans. As stewardship agreements are put into operations, on the ground inspections will be necessary to comment and review on any plans submitted by an agreement holder.

Development of new forest industries will have good effects on the state and local government economy by bringing in additional revenue and creation of jobs. The local government will also benefit by increase in demand for other products and supplies thereby adding additional jobs within the communities.

The program is ongoing and will be needed to be funded each year. As stewardship agreements come on-line in year four, there will be a need to purchase computers that will allow for the word processing workload and keeping of records. If more than one agreement is developed in any area the minimum of one new position per agreement will be required. Heavy use of the forest tree nursery for reforestation stock will require additional funding if it has not been adequately funded by other means.

1.	POSITION TITLE Natural Resource Manager I				RANGE/STEP 18/A	BARG. UNIT GG	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Fairbanks	ELECTION DISTRICT 20	LEG.		
3.	CONTINUATION LEVEL				ADDITION	X	JUSTIFICATION:			
4.	TYPE OF EXPENDITURE			AMOUNT		<p>This position will help develop the required regulations and take them through the public review process in the Fairbanks Area.</p> <p>Prepare a plan for administration oversight of a FSA within the Northern Region and take it to the affected state agencies.</p> <p>Develop actions necessary to prepare one FSA and take it through the review process to completion.</p> <p>Work with Logging Engineer and Southcentral NRM I in developing the required contract and any additional plans that must be developed.</p>				
	1	2	3							
	PERSONAL SERVICES									
5.	Salary 12 x 3237		38.8							
6.	Benefits 12 x 1194		14.3							
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES	01	53.1							
10.	Travel	02	8.0							
11.	Contractual	03	10.0							
12.	Commodities	04	1.0							
13.	Equipment	05	10.0							
14.	Other									
15.	TOTAL COST		82.1							
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004		82.1						
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY										
KEY NUMBER - - - - -										

REQUEST FOR
NEW POSITION

AGENCY Natural Resources

BRU Forest Management

COMPONENT Forest Management

FY 91

Page 1 of 1

Revised Date _____

1.	POSITION TITLE Natural Resource Manager I				RANGE/STEP 18/A	BARG. UNIT GG	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7	LEG.		
3.	CONTINUATION LEVEL				ADDITION	X				
4.	TYPE OF EXPENDITURE			AMOUNT						
	1			2		3				
	PERSONAL SERVICES									
5.	Salary 12 x 3113			37.4						
6.	Benefits 12 x 1119			13.4						
7.	Supplemental Benefits									
8.	Fixed Benefits									
9.	TOTAL PERSONAL SERVICES			01		50.8				
10.	Travel			02		8.0				
11.	Contractual			03		10.0				
12.	Commodities			04		1.0				
13.	Equipment			05		10.0				
14.	Other									
15.	TOTAL COST					79.8				
JUSTIFICATION:										
This position will be the lead person responsible for drafting required regulations and taking through the public review process with the Anchorage Area.										
Prepare a plan for administration oversight of a FSA within the Mat-Su Valley and take it to the affected state agencies.										
Develop actions necessary to prepare one FSA and take it through the review process to completion.										
Work with Logging Engineer and Northern HRM I in developing the required contract and any additional plans that must be developed.										
	RECEIPT CODE	FUNDING SOURCE								
16.		Federal Receipts 1002								
17.		G.F. Match 1003								
18.		General Funds 1004			79.8					
19.		I-A Receipts 1005								
20.		Program Receipts 1028								
21.		Other								
FOR B&M USE ONLY KEY NUMBER - - - - -										

REQUEST FOR
NEW POSITION

AGENCY Natural Resources
BRU Forest Management
COMPONENT Forest Management

FY 91

Page 1 of 1
Revised Date

1.	POSITION TITLE Logging Engineer				RANGE/STEP 18/A	BARG. UNIT CG	PAGE/LINE	GOV.	APPROV.	DISAPP
2.	TYPE OF POSITION PFT	STAFF MONTHS 12	RP NUMBER	PCN NUMBER	BRU PRIORITY	LOCATION Anchorage	ELECTION DISTRICT 7	LEG.		
3.	CONTINUATION LEVEL				JUSTIFICATION:					
4.	TYPE OF EXPENDITURE			AMOUNT						
	1			2						
	PERSONAL SERVICES			3						
5.	Salary 12 x 3113			37.4						
6.	Benefits 12 x 1119			13.4						
7.	Supplemental Benefits									
8.	Fixed Benefit:									
9.	TOTAL PERSONAL SERVICES			01 50.8						
10.	Travel			02 5.0						
11.	Contractual			03 2.5						
12.	Commodities			04 0.5						
13.	Equipment			05 8.0						
14.	Other									
15.	TOTAL COST			66.8						
	RECEIPT CODE			FUNDING SOURCE						
16.				Federal Receipts 1002						
17.				G.F. Match 1003						
18.				General Funds 1004 66.8						
19.				I-A Receipts 1005						
20.				Program Receipts 1028						
21.				Other						
FOR B&M USE ONLY										
KEY NUMBER - - - - -										

JUSTIFICATION:

This position will be the Division of Forestry field Engineer. In order to know what can and what can not be done in road development the position will be working on the ground with the NRM I's. Transportation information is needed to work into the appraisals and will be necessary for the agency and public review.

Access development is necessary in any areas that may be proposed as FSA's and will become a part of the selection process of a concessionaire. The Division does not have this capability at present.

REQUEST FOR
NEW POSITION

AGENCY Natural Resources
BRU Forest Management
COMPONENT Forest Management

FY 91

Page 1 of 1
Revised Date _____

FOREST MANAGEMENT AGREEMENTS
AN OVERVIEW

Presented by
M.R. Dick, Jr.
Alaska State Forester

6 April 1989

FOREST MANAGEMENT AGREEMENTS (FMA's)

INTRODUCTION

The State of Alaska owns several million acres of timberland which grow varying levels of merchantable or potentially merchantable timber. Controversy surrounds land management, or lack thereof, and who should be responsible for that management. Several management options exist.

The land could be divested into private ownership. This option is not at issue in this discussion and will not be reviewed.

The land base could be retained in state ownership with management and timber sales contracted to the private sector.

The land base could be retained in state ownership and management with the timber being sold at auction.

This paper will review these management options with special emphasis on the state ownership/private management option.

LAND MANAGEMENT OPTIONS

The State of Alaska has three forest management options:

- 1) No change. Lands would not be managed or receive little active management. This management option allows extraction with little or no management. Timber cannot be viewed as a reliably renewable resource under this option.
- 2) Active management. The state actively would manage its forest lands to provide a variety of natural resources. The state would provide management responsibilities and expertise. Planning processes would determine various land uses for specific parcels; regulatory processes would provide resource protection.

3) Contractual Management. The state would relinquish Management responsibilities to a contractor. Appropriate regulatory processes would be established with the Forest Practices Act being used as a base regulatory level.

This contracted relinquishment would take one of two forms: a volume based contract or an area based contract.

The options are discussed below.

No Change Option

The "no change" option is an extension of the present program. Existing Alaska Forest Management is minimal. SE Alaska forest management would suffer the least under this option due to normally excellent natural regeneration. Significant forest management opportunities are being lost, however, because of minimal management.

Interior Alaska forests need more attention to produce a commercially useful forest. A coordinated program of harvest, site-preparation, species selection, regeneration, stocking control and insect/disease management are critical to perpetually produce a forest crop. The present system provides barely adequate regeneration and none of the other management functions. An extension of the present system will guarantee a non-productive boreal forest.

Active Management Option

This option presumes the state will bear management responsibility. Management level would vary, depending on state commitment. The existing DNR Division of Forestry would be empowered and funded to provide pre-determined management functions. Those functions could encompass six categories:

- 1) Proprietary Management would provide management activities to grow and manage the forest.
- 2) Forest Protection would provide fire protection. Insect and disease control would come under Forest Management;
- 3) Timber Sales would provide timber marketing abilities. This includes area identification and layout, cruising, appraising and sales.
- 4) Forest Regulation and Conservation would provide regulation administration for all appropriate private and public lands.
- 5) Resource Management would provide technology to maintain and enhance forest resources productivity.
- 6) Administration and program support would provide leadership and support services, e.g. budgeting and accounting services.

The above program would be expected to at least pay its own way through sales receipts. The program must be funded through an initial start-up period after which it would be expected to generate significant revenues for the state.

Contractual Management (Forest Management Agreements)

As previously noted, contractual management is based on two forms: volume control vs area control.

Volume Control

Volume control systems require the landowner to retain inventory, fire control and some management functions e.g. reforestation. The contract holder "buys" a given timber volume encumbered with varying management functions e.g. road construction. The volume purchased can be contracted by species, grade or both.

Volume control has the benefit of offering the landowner more management flexibility and the opportunity to sell trees to more than one purchaser in any given area. Volume control problems surround volume and grade misunderstandings, lack of accurate estimates and involvement of more than one purchaser operating in the same locale - frequently on the same site.

Area Control

Area control presumes the landowner relinquishes most management control to a contract holder, for a given unit(s) of land. This is the classic Forest Management Agreement.

The Landowner collects a modest "stumpage" fee*.

The area control system advantages occur because the contract holder becomes the "de facto" landowner. The contract holder is staffed to provide management functions. Managers treat the land as "theirs" and become quite protective towards the land base. The above advantage also presents the biggest negative. If the true landowner represents a public e.g. the State of Alaska, the proprietary nature of the FMA precludes public input on land management. The contract holder typically dictates who may/not use land, how much it will cost to use it, how it's used, etc.

* Stumpage (defined): The value of a standing tree. Value is determined by taking an end product value (logs, lumber, plywood, pulp, etc.) and removing all production costs, including profit/risk. The value remaining is the stumpage value or value of the standing tree.

Stumpage typically is measured in dollars/thousand board feet which in many Canadian FMA's is about \$10/thousand board feet. This low value reflects the lack of management costs to the landowner.

FMA's: GENERAL COMMENTS

FMA's have been used for several decades. Canada (Alberta) has successful FMA's dating to the mid-1950's. Several characteristics are apparent in successful FMA contracts or "licenses.

- ° A stable, dedicated land base is essential. FMA's, or any other management system, will fail without a stable land base.
- ° A flexible government/industry relationship is essential. Conditions dramatically change over the typical 20 year contract terms. A flexible system is necessary to deal with radical market, economic and political changes.
- ° Industry/Government division must be well defined. Government involvement in the manufacturing process doomed previously successful FMA's in Saskatchewan.

Selected comments from Government/Industry sources:

Industrial Manager (Alberta)

- ° In forest management terms: concept good. Good system, 20 year tenure gave the chance to amortize a multi-hundred million dollar plant.
- ° Public benefits provided - good roads, regeneration, etc.
- ° FMA's "incredibly controversial"
- ° Canadians previously more willing to "let Government handle things". Less so today. Fundamental social change occurring.
- ° Lots of frustration on industry side with changing rules, fluid land base, etc.

- ° Alaska must solve its land base/use/ownership problems before a FMA or any system will work.
- ° Alaska ownership pattern may not lend itself to FMA's

Government Manager, British Columbia

- ° Licensed lands (under FMA's) better managed with more responsible harvest patterns.
- ° Area license superior to volume license (this same comment was made by everyone interviewed)
- ° Land base/use problems must be solved prior to any successful management system.
- ° 25% of BC annual cut is under license. BC Government would like to increase to 60% or 70% but receiving substantial public opposition.

Industry Manager (formerly from Saskatchewan)

- ° Concept good. Lets industry build infrastructure in return for minimum stumpage.
- ° In Manitoba: stumpage \$10-\$30/thousand board feet. Stumpage indexed to the market.
- ° Saskatchewan FMA's failed. Numerous reasons some problems within industry, some government.
- ° Tried FMA in Alberta. Didn't work - sold out.

Government Manager (Alberta)

- ° Takes some time to develop an effective FMA. Alberta's most successful FMA dates to 1954.
- ° Government involvement extensive.

FMA's vs PUBLIC MANAGEMENT: THE GREAT DEBATE

FMA's can work given the right circumstances. The right philosophical environment is one in which the populace is willing to "let government do it" Government is given a relatively free hand in building and maintaining the government/industry interface. This has been achievable in a country like Canada. Canada has had an historically comfortable government/industry relationship. This relationship appears to be undergoing fundamental change as Canadian citizens become more involved in the decision making process.

The right political environment is one in which land base/use is stable. Forest management is a business of decades, even centuries. A fluid land base reduces or eliminates the contract holder's ability to invest with a reasonable certainty of recovering the investment. Land base instability has killed several existing/potential Canadian FMA's.

The right technical/economic environment is one in which the technical ability exists to manage the resource; income is adequate to provide the financial means to fund resource management.

Successful public land management by a public agency must operate within the same constraints or environments as FMA's. The right philosophical environment is one in which the public will accept public land ownership and management.

The right political environment is one which provides a stable land base and commitment to adequately fund public land management. The right technical/economic environment must exist as with FMA's.

Which system is better?

It depends

Many factors are common: land base, funding, technical ability, proper staffing. The wild card is constituent philosophy. A constituency inclined to leave decisions to government will likely allow a successful Government/Industry relationship. A constituency inclined to distrust government will likely not allow that relationship to become successful for either partner.

FOREST STEWARDSHIP AGREEMENT PROPOSED

ACTION REQUIRED

AGENCY/PUBLIC INVOLVEMENT



Prepared by State
AREA PLAN
MANAGEMENT PLAN
LAND CLASSIFICATIONS

PUBLIC HEARINGS
INTERAGENCY INVOLVEMENT

If above plans already complete:
REVISE MANAGEMENT PLAN

PUBLIC HEARINGS
INTERAGENCY INVOLVEMENT



PUBLIC NOTICE OF INTENT
TO DEVELOP AN FSA

PUBLIC HEARINGS
INTERAGENCY CONCURRENCE



GENERIC FSA DEVELOPED

DNR



REQUEST FOR PROPOSALS

DNR



OPERATOR SELECTED

DNR



Prepared by State:
PROPOSED AGREEMENT
BEST INTEREST FINDING
ADMINISTRATIVE PLAN FOR OVERSIGHT
Prepared by Operator:
MASTER PLAN
5-YEAR OPERATING PLAN
ANNUAL HARVEST PLAN

PUBLIC HEARINGS
INTERAGENCY REVIEW
MUNICIPAL REVIEW

AGENCY CONCURRENCE



FSA SIGNED

CS HB 205 FOREST STEWARDSHIP AGREEMENTS

Goals for forest stewardship agreement legislation:

- Improve public involvement/notice
- Improve inter-agency coordination
- Provide for extensions of an agreement
- Provide for purchasers credits
- Provide for a multiple variable bid process
- Specify items to be included in an agreement
- Provide incentive for improved management practices

PUBLIC PROCESS

To assure public participation in a forest management agreement the following would be required:

- 1) public notice of the intent to enter into a forest stewardship agreement;
- 2) public notice given and hearings held prior to the Commissioner entering into an agreement and whenever the agreement comes up for an extension.

The Commissioner would make available for review:

- 1) a master plan for the term of the initial agreement;
- 2) an operating plan for the first five years;
- 3) an annual harvesting plan for the first two years of operation;
- 4) the proposed contract; and
- 5) a best interest finding prepared by the Commissioner.

INTER-AGENCY COORDINATION

To assure the involvement of the Departments of Fish and Game and Environmental Conservation and Commerce and Economic Development in a forest stewardship agreement, the Departments should:

- 1) be consulted prior to the Commissioner announcing a potential sale;
- 2) review the best interest finding, proposed agreement and the master, operating and harvest plans prior to the Commissioner entering or extending an agreement; and
- 3) be consulted when an extension is being considered.

CONTRACT EXTENSION

The "evergreen" clause would provide for extensions to the existing long-term agreement. Extensions could also be applied for once the initial agreement has expired and the contractor is operating on an existing extension.

In applying for an extension, a contractor would submit a five-year operating plan for the next five years and an amended master plan covering the extension.

Prior to granting an extension the Commissioner would:

- 1) prepare a best interest finding;
- 2) review existing and proposed operations;
- 3) consult with the Commissioners of environmental conservation and fish and game;
- 4) find that the operator has complied with state law and the terms of the forest management agreement; and
- 5) provide for public notice and hearings.

PURCHASERS CREDITS

A credit may be applied against future stumpage payments for replacement of a road or other infrastructure that was damaged by natural causes or if the operator provides items which do not directly contribute to the management or harvest of timber (i.e., scenic turnouts or parking areas).

MULTIPLE VARIABLE BID PROCESS

Present law requires the Commissioner to award timber sales to the highest qualified bidder. Since forest stewardship agreements involve more than stumpage value, a multiple variable bid process should be instituted.

In reviewing bids received the Commissioner would consider:

- 1) the stumpage payments proposed by the bidder;
- 2) the amount of the investment in plant and facilities proposed by the bidder;
- 3) the utilization standards proposed by the bidder;
- 4) the number of jobs to be provided by the bidder;
- 5) the relevant experience of the bidder;
- 6) road construction, reforestation and recreation improvements requested by the Commissioner; and
- 7) other items requested by the Commissioner or offered by the bidder.

ITEMS TO BE INCLUDED IN AN AGREEMENT

An agreement for the harvest of state timber under this section shall provide for

- 1) the term of the initial agreement, not to exceed 20 years, and conditions for an extension of the term;
- 2) the stumpage prices to be charged for the timber;
- 3) penalties for violation of the terms of the agreement and termination of the agreement;
- 4) public use of state land involved in the agreement except that the contractor may limit access in an area that is being harvested or where hazardous conditions exist;
- 5) the protection of compatible and noncompatible uses such as mining and recreation;
- 6) a bond from the purchaser to protect the interests of the state;
- 7) protection of state owned land within 100 ft. of rivers, lakes, or streams to provide soil stability and protect fish habitat, although more state land may be protected as necessary for these purposes;
- 8) the preparation of reports required by the Commissioner; and
- 9) other terms, conditions, and limitations determined to be in the public interest by the Commissioner.

INCENTIVE FOR IMPROVED MANAGEMENT PRACTICES

If an operator is able to increase the allowable annual cut through his management techniques, the incremental volume should be made available at the same or a reduced rate.

The present bill provides:

At any time during an agreement, if the forest inventory data indicate an increase in the allowable annual cut resulting from the management activities of the contractor, the Commissioner may make the incremental stumpage available to the contractor at the same or a reduced rate.

CS HB 205 FOREST STEWARDSHIP AGREEMENTS
SECTIONAL ANALYSIS

Section 1. INTENT. It is the intent of the legislature that the Commissioner provides areas within and near lands subject to a forest stewardship agreement for the harvest of timber by small independent operators.

Section 2.

Sec. 41.17.500. PURPOSE. The purpose of a Forest Stewardship Agreement is to allow for an agreement between the state and a private party for the cooperative management of public forest land. A FSA may relieve the state of some of the administrative responsibility associated with developing and managing timber sales.

In an FSA a contractor might be responsible for developing; a plant and facilities or providing services such as road construction and maintenance, reforestation, recreation improvements and protection of other uses of state land.

An FSA does not permit the avoidance of other state laws or regulations affecting environmental conservation, timber practices, fish and game or any other resource or use of a resource.

Sec. 41.17.510. FOREST STEWARDSHIP AGREEMENTS. The Commissioners of environmental conservation, fish and game and commerce and economic development must concur with the commissioner of natural resources before entering into a forest stewardship agreement. The Commissioner must also consult with affected municipalities.

A FSA is subject to any changes in existing state and federal laws and regulations.

Sec. 41.17.520. PLANS. A forest stewardship agreement must be consistent with the Alaska Coastal Management Program and existing area and management plans and land classifications adopted by the Commissioner. If no plans exist they must be developed prior to the development of an FSA. If a management plan is in place for an area it must be revised to allow for an FSA.

Before the Commissioner enters into an agreement, the Commissioner must prepare a plan for administrative oversight of the agreement in consultation with other affected state agencies.

Also, before the Commissioner enters into an agreement, the operator must prepare a master plan, a five-year operating plan and an annual harvesting plan. These will be reviewed by the public and other agencies.

Sec. 41.17.530. NOTICE OF INTENT TO DEVELOP AN AGREEMENT. After the area plan, management plan and land classifications are developed by the state and the Commissioner determines it is feasible to develop a FSA, the Commissioner will notify the public and affected private landowners of the intent to consider a FSA for an area. The Commissioner will hold public hearings in affected communities.

Sec. 41.17.540. REQUIREMENTS OF FOREST STEWARDSHIP AGREEMENTS. Items which must be addressed in a forest management agreement: term of the contract, stumpage prices and adjustments, penalties for violations, update of the five-year operating plan and annual harvesting plan, public access, protection of other uses, purchaser bond, protection of buffer strips, maximum allowable cut, minimum and maximum development requirements, preparation of reports required by the Commissioner and other items in the public interest as determined by the Commissioner.

Regulations must be established by the Commissioner for the requirements for access development, harvest, management and reforestation.

The Commissioner may require from the purchaser: a reimbursable service agreement for monitoring and enforcing the terms and conditions of the agreement and state law, compensation for scaling services, construction and maintenance of access roads and designation of timber volume for small operations.

Sec. 41.17.550. CREDITS. Allows for purchasers credits to be granted against future stumpage payments under specific conditions. The credit given may not exceed the value owed to the state.

Credits for construction are subject to the Commissioner's authorization, interagency review and public notice.

Sec. 41.17.560. MOST QUALIFIED BIDDER. Establishes the items to be considered in a multiple variable bid process. The Commissioner must develop minimum qualifications for a bidder through regulation.

The Commissioner must adopt regulations detailing the bidding procedure and the method of determining the most qualified bidder.

Sec. 41.17.570. REVIEW AND PUBLIC NOTICE. Before the Commissioner enters into or extends an agreement or issues a final best interest finding, the Commissioners of DEC, F & G and CED and affected municipalities must review the proposed agreement, the proposed best interest finding, the master plan, 5-year operating plan, annual harvest plan and the plan for administrative oversight. The Commissioner shall provide public notice before adopting the finding and plans and hold appropriate public hearings.

Sec. 41.17.580. BEST INTEREST FINDING. Before entering into or extending an agreement the Commissioner must issue a written finding that the proposed agreement is in the best interest of the state.

Sec. 41.17.590. INCREMENTAL VOLUME AVAILABLE. If the Commissioner determines the contractor has increased the annual allowable cut through his management techniques, the incremental volume may be made available to the contractor at the same or a reduced rate if it is consistent with other objectives of the agreement.

Sec. 41.17.600. EXTENSIONS OF FOREST STEWARDSHIP AGREEMENTS. An agreement may be extended each fifth year of the agreement. An extension may not exceed five years. Extensions may continue to be applied for and granted after the initial term has expired and the contractor is operating under the extension.

In the extension process the contractor must submit a proposed operating plan for the next five years of operation and amend the management plan as the Commissioner deems necessary.

Before granting an extension the Commissioner must find that the operator has complied with the terms of the agreement through review of existing and proposed operations and consultation with affected agencies and municipalities. The Commissioners of DEC, F&G, CED must concur with the Commissioner.

Before granting an extension the Commissioner must adopt a best interest finding, provide public notice and hold appropriate public hearings.

Sec. 41.17.610. ACCOUNTING. Money collected under this section must be accounted for separately by the Commissioner of administration. The annual estimated balance may be appropriated to DNR by the legislature to carry out the purposes of this Act.

Sec. 41.17.620. OTHER AUTHORITIES UNAFFECTED. An FSA does not affect the authority of the Department of Fish and Game, the Board of Fisheries, the Board of Game, The Department of Environmental Conservation or other state agencies and municipalities.

Sec. 41.17.630. EXEMPTION. Exempts this section from the provisions of the procurement code, AS 36.30.

Sec. 41.17.640. DEFINITIONS.

Section 3. Amends AS 38.05.120 to allow timber to be disposed of under this section.

H B

217



Alaska Court System
State of Alaska
OFFICE OF ADMINISTRATIVE DIRECTOR

JAHLEER STRANDBERG
Staff Counsel

March 17, 1989

303 K Street
Anchorage, AK 99501
(907) 264-8228

Representative Peter Goll, Co-chair
Representative Max Gruenberg, Co-chair
House Judiciary Committee
P. O. Box V
Juneau, Alaska 99811

Re: HB 217 - An Act relating to the preparation of maintenance of the jury list.

Dear Representatives Goll and Gruenberg:

The court system would like to offer these comments on HB 217. We support this bill which provides the mechanism for the technical services staff of the court system to construct and maintain the jury lists from a list of permanent fund dividend applicants. Technical services has found that the Fish and Game lists are very inaccurate and cause more work than justifies the information gleaned from them.

Section three, which requires vital statistics to transmit a list of death certificates to the court system, allows us to purge the jury lists of the names of those persons who have died.

If you have any questions or comments about this bill, I would be happy to discuss them with you.

Very truly yours,

Jan Strandberg
Jan Strandberg
Staff Counsel

JS:bh

cc: Representative Mike Davis
Representative Cliff Davidson
Representative Johnny Ellis
Representative Terry Martin
Representative Mike Miller

FISCAL NOTE

REQUEST:

Revision Date:	Agency Affected:	Alaska Court System
Title: An act relating to selection and maintenance of the jury list	BRU:	Trial Courts
Sponsor: Donley, Gruenberg, Goll, Spohnholz...	Components:	
Requestor: Judiciary		

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL						
----------------	--	--	--	--	--	--

REVENUE						
----------------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

General Funds	0.0	0.0	0.0	0.0	0.0	0.0
Federal Funds						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

No fiscal impact.

Prepared by: *Jan Strandberg*
Jan Strandberg, General Counsel
Division: Alaska Court System

Phone: 264-8228
Date: 03/17/89

Approved by: *Arthur H. Snowden, II*
Arthur H. Snowden, II, Administrative Director
Agency: Alaska Court System

Date: 03/17/89

Distribution (by preparer):
Legislative Finance
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Office of Management & Budget
Impacted Agency(ies)

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501-1994
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST
SUITE 400
FAIRBANKS, ALASKA 99701-4679

P.O. BOX K—STATE CAPITOL
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

March 14, 1989

The Honorable Dave Donley
Alaska State Representative
P. O. Box V
Juneau, AK 99811-3100

Dear Representative Donley:

Your March 8, 1989 communication to B.J. Jordan respecting jury lists has been referred to me for response.

You have proposed two bills. The first, HB 34, would require a two-year durational residency for persons to apply for a permanent fund dividend. The second would eliminate fish and game license and voter registration lists as sources for jury lists, retaining only permanent fund dividend and driver's license lists, but also adding a list of persons who have volunteered for jury duty.

You have asked whether the use of whists for permanent fund dividends volunteers and driver's licenses as the proposed jury list is adequate to create a fair cross-section of Alaskans as jurors. Our view is that it is. The permanent fund dividend applicant pool on its own is without doubt the most comprehensive list of Alaskan residents. It likely would continue to be even with passage of HB 34.

As you are aware, the two-year residency requirement for permanent fund dividend applicants may raise an independent basis for objection to the jury list. We note that one-year residency requirements for jury service (usually a prerequisite for voting) have been upheld repeatedly. See e.g. United States v. Blair, 493 F.Supp. 398 (D. Md. 1980), Wilkins v. Maryland, 402 F.Supp. 76 (D. Md. 1975), United States v. Arnett, 342 F.Supp 1255 (D. Mass. 1970). However, we believe that a two-year restriction on a jury list would be much more difficult to defend. However, since your bill would use two alternative data sources, driver's license and volunteer lists, that are not tied to durational residency we believe that it passes constitutional muster.

The Honorable Dave Donley
Alaska State Representative

March 14, 1989
Page 2

Should you have any further questions, please do not
hesitate to contact me.

Sincerely yours,

DOUGLAS B. BAILY
ATTORNEY GENERAL

By



Bruce M. Botelho
Assistant Attorney General

BMB:tg

cc: Arthur Peterson

FISCAL NOTE

REQUEST

Revision Date: _____
Title: An Act relating to preparation and maintenance of the jury list
Sponsor: Donley et al.
Requestor: House Judiciary

Agency Affected: Revenue
BRU: Permanent Fund Dividend Division
Components: Permanent Fund Dividend Division

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
OPERATING						
PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
SUPPLIES	-0-	-0-	-0-	-0-	-0-	-0-
EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
LANDS & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
GRANTS, CLAIMS	-0-	-0-	-0-	-0-	-0-	-0-
MISCELLANEOUS	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL OPERATING	-0-	-0-	-0-	-0-	-0-	-0-
CAPITAL	-0-	-0-	-0-	-0-	-0-	-0-
REVENUE	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING: (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS:

FULL-TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART-TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

ANALYSIS: See attached.

Prepared By: Evan Jones
Division: Permanent Fund Dividend Division

Phone: 465-2323
Date: March 21, 1989

Approved by Commissioner: [Signature]
Agency: Revenue

Date: 3/21/89

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Permanent Fund Dividend Division
Fiscal Note Analysis
SB 217
03/21/89

The Permanent Fund Dividend Division will be able to provide a magnetic tape of all persons who filed a Permanent Fund Dividend application, listing the following information:

First Name
Middle Initial
Last Name
Mailing Address
Birth date

The division will not be able to provide residence address or year and months of residency, as this information is not available from the Permanent Fund Dividend system. After discussing the bill with Jan Strandberg of the Court System, I would suggest the following amendments:

1. Section 1, page 1, line 17: Delete [SHOWED]; add shows;

The Court System needs the most current address available as of January 15. Given that the Permanent Fund Dividend Division receives 60,000 address changes between April 1 and December 31 of each year, this change would appear important.

2. Section 1, page 2, line 3: Delete [RESIDENCE ADDRESS AND];

Section 1, page 2, line 4-5: Delete [FOR EACH] and [AND THE NUMBER OF YEARS AND MONTHS THE PERSON HAS BEEN A RESIDENT OF THE STATE].

The court system does not need this information, and the Permanent Fund Dividend system cannot provide it.

3. Section 2, page 2, lines 14-16: Delete [THE ADMINISTRATIVE DIRECTOR SHALL PROVIDE A LIST OF PERSONS VOLUNTEERING FOR JURY DUTY TO THE DEPARTMENT OF REVENUE FOR INCLUSION ON THE JURY LIST UNDER (b) OF THIS SECTION.].

This would be unnecessary, as the Court System will be creating the jury list from potentially three sources. The Department of Revenue will provide the Permanent Fund Dividend list as indicated in Section 1.

A M E N D M E N T

OFFERED IN THE HOUSE

BY DONLEY

TO: HB 217

4) Page 2, line 3, following "address" through "state" on page 2, line 5:

Delete all material.

Insert: "[AS WELL AS MAILING ADDRESS], including the zip code [FOR EACH]; and birth date [; AND THE NUMBER OF YEARS AND MONTHS THE PERSON HAS BEEN A RESIDENT OF THE STATE]"

3) Page 2, lines 14 - 16:

Delete: "The administrative director shall provide a list of persons volunteering for jury duty to the Department of Revenue for inclusion on the jury list under (b) of this section."

HOUSE COMMITTEE REPORT

(7)

Date Referred: March 13, 1989

FURTHER REFERRALS: FINANCE

Date of Committee Action: 3/22/89

The JUDICIARY Committee considered:

HB 217

HOUSE BILL NO. 217

[PREPARATION & MAINTENANCE OF JURY LIST]

"An Act relating to preparation and maintenance of the jury list."

RECOMMENDATIONS:

- [] be replaced with CSHB 217 (JUD) [] the same title
[] a new title
- [] have attached amendment(s)
- [] do pass
- [] do not pass
- [] no recommendation
- [] individual recommendations
- [] additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(s):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [] fiscal impact _____
- [] zero fiscal note _____
- [] zero with analysis _____
- [] fiscal note(s) _____
- [] zero fiscal note(s) _____
- [] zero fn/analysis _____

SIGNING DO PASS:

SIGNING:

(Check approp. column)

Pat Jones

Mike Deitz

Mike Miller

Terry Martin

Cliff Grunberg

Cliff Dirksen

Pat Jones

	Do Not Pass	No Rec	Other Amend

Pat Jones / Cliff Grunberg
Chairman's signature

Original sponsors: Donley, Gruenberg,
Goll, et al.

1 I.: THE HOUSE

BY THE JUDICIARY COMMITTEE

2 CS FOR HOUSE BILL NO. 217 (Judiciary)

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 preparation and maintenance of
7 the jury list."

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

9 * Section 1. AS 09.20.050(b) is amended to read:

10 (b) The jury list shall be based on [A LIST OF ALL PERSONS WHO
11 PURCHASED A RESIDENT TRAPPING, HUNTING OR FISHING LICENSE DURING THE
12 PRECEDING CALENDAR YEAR WHICH SHOWED AN ALASKAN ADDRESS (TO BE PRE-
13 PARED BY THE DEPARTMENT OF FISH AND GAME),] a list prepared by the
14 Department of Revenue of all persons who filed an application for a
15 distribution of Alaska permanent fund income under AS 43.23 [AS 43.-
16 23.010 - 43.23.100] during the preceding calendar year that shows
17 [WHICH SHOWED] an Alaskan address [(TO BE PREPARED BY THE DEPARTMENT
18 OF REVENUE), A LIST OF ALL PERSONS WHO HAVE REGISTERED TO VOTE IN THIS
19 STATE (TO BE PREPARED BY THE DIRECTOR OF ELECTIONS)], and of all
20 persons who volunteer for jury duty under (d) of this section. If [,
21 IF] considered necessary by the administrative director of the Alaska
22 Court System, the jury list shall incorporate [COURTS,] a list pre-
23 pared by the Department of Public Safety of all persons who hold a
24 valid Alaska driver's [DRIVERS'] license [(TO BE PREPARED BY THE
25 DEPARTMENT OF PUBLIC SAFETY)]. The departments [AND THE DIRECTOR OF
26 ELECTIONS] shall submit their respective lists to the Alaska Court
27 System [DEPARTMENT OF ADMINISTRATION] not later than January 15 of
28 each year. To the extent that it is available, the [LISTS SUBMITTED
29 BY THE] departments [AND THE DIRECTOR OF ELECTIONS] shall include on

1 the lists they submit [CONTAIN] the following information for each
2 person [ON THE LIST FOR THE PRECEDING CALENDAR YEAR]: first name,
3 middle initial, and last name; [RESIDENCE ADDRESS AS WELL AS] mailing
4 address, including the zip code [FOR EACH]; and birth date [; AND THE
5 NUMBER OF YEARS AND MONTHS THE PERSON HAS BEEN A RESIDENT OF THE
6 STATE]. The lists [SUBMITTED BY THE DEPARTMENTS AND THE DIRECTOR OF
7 ELECTIONS] shall be recorded on magnetic tape compatible with Alaska
8 Court System [DEPARTMENT OF ADMINISTRATION] data processing equipment.

9 * Sec. 2. AS 09.20.050 is amended by adding a new subsection to read:

10 (d) A person who is qualified as a juror under AS 09.20.010 and
11 is not disqualified from serving as a juror by AS 09.20.020 may volun-
12 teer for jury duty by contacting the administrative director of the
13 Alaska Court System and providing the information the administrative
14 director may require.

15 * Sec. 3. AS 18.50.230 is amended by adding a new subsection to read:

16 (e) To assist the Alaska Court System to remove the names of
17 deceased persons from jury lists under AS 09.20.050(c), the state
18 registrar of vital statistics shall forward to the administrative
19 director of the Alaska Court System the names of persons for whom
20 certificates of death were issued and reported to the registrar.

HPB

219

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Taking Bears Near Waste Disposal Sites
Sponsor: Representative Grussendorf
Requestor: House Resources

Agency Affected: Public Safety
BRU: Fish & Wildlife Protection
Component: Enforcement

EXPENDITURES/REVENUES: (Thousands of Dollars) (Inflation not Included)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary)

Enforcement of this bill would be undertaken along with enforcement of existing fish and wildlife protection laws. No additional fiscal impact is anticipated.

Prepared by: Gayle A. Horetski
Division: Deputy Commissioner

Phone: 465-4322
Date: 3-28-89

Approved by Commissioner: Arthur English
Agency: Department of Public Safety

Date: 3-28-89

6-0848E
Utermohle
4/3/89

Original sponsors: Grussendorf, Goll,
and Davidson

1 IN THE HOUSE

BY THE RESOURCES COMMITTEE

2 CS FOR HOUSE BILL NO. 219 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act prohibiting the taking of brown or grizzly
7 bear near solid waste disposal facilities; and pro-
8 viding for an effective date."

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

10 * Section 1. AS 16.05 is amended by adding a new section to read:

11 Sec. 16.05.782. TAKING OF BROWN OR GRIZZLY BEAR NEAR SOLID WASTE
12 DISPOSAL FACILITY PROHIBITED. (a) A person who with criminal negli-
13 gence takes a brown or grizzly bear within one mile of a solid waste
14 disposal facility is guilty of a class A misdemeanor.

15 (b) In addition to the penalty imposed by law, the court shall
16 order forfeiture of the hide and skull of the bear, but if the hide
17 and skull are not salvaged then the court shall impose an additional
18 fine equal to the fair market value of the bear.

19 (c) It is a defense to prosecution under this section that the
20 person took the bear in defense of life or property if the

21 (1) necessity for the taking is not brought about by
22 harassment or provocation of the bear or by an unreasonable invasion
23 of the bear's habitat by the person who takes the bear;

24 (2) necessity for the taking is not brought about by the
25 improper disposal of garbage or the creation of a similar attractive
26 nuisance by the person who takes the bear; and

27 (3) person exhausts all other practicable means to protect
28 life and property before the bear is taken.

29 (d) In this section

1 (1) "criminal negligence" has the meaning given in AS 11.-
2 81.900(a);

3 (2) "property" means

4 (A) a dwelling, permanent or temporary;

5 (B) an aircraft, boat, automobile, or other convey-
6 ance;

7 (C) a domestic animal;

8 (D) other property of substantial value necessary for
9 the livelihood or survival of the owner;

10 (3) "solid waste disposal facility" has the meaning given
11 in AS 46.03.900.

12 * Sec. 2. This Act takes effect July 1, 1989.
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HOUSE COMMITTEE REPORT

(9)

Date Referred: March 15, 1989

FURTHER REFERRALS: JUDICIARY

Date of Committee Action: 4-4-89

The RESOURCES Committee considered:

HB 219

HOUSE BILL NO. 219 [BAN BROWN BEAR TAKING NEAR GARBAGE SITES]
"An Act prohibiting the taking of brown or grizzly bear near solid waste disposal facilities; and providing for an effective date."

RECOMMENDATIONS:

- [x] be replaced with CS HB 219 (RES)
[] have attached amendment(s)
[x] do pass
[] do not pass
[] no recommendation
[] individual recommendations
[] additional referral to the Committee

[x] the same title
[] a new title

ADOPTS: letter of intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Date/Dept)

- [] fiscal impact
[x] zero fiscal note Pub. Safety
[] zero with analysis
[] fiscal note(s)
[] zero fiscal note(s)
[] zero fn/analysis

SIGNING DO PASS:

SIGNING: (Check approp. column)

Handwritten signatures: Cliff Davidson, Small, Richard, Doug Jackson

Table with 4 columns: Do Not Pass, No Rec, Amend. Signatures: Bill Hudson, Bert Sharp, and a large scribble.

Cliff Davidson
Chairman's signature

nuisance by the person who takes the bear; and

HOUSE COMMITTEE REPORT

(7)

Date Referred: April 6, 1989

FURTHER REFERRALS:

Date of Committee Action: 4/14/89

The JUDICIARY Committee considered:

HB 219

HOUSE BILL NO. 219 [BAN BROWN BEAR TAKING NEAR GARBAGE SITES]
"An Act prohibiting the taking of brown or grizzly bear near solid waste disposal facilities; and providing for an effective date."

RECOMMENDATIONS:

- be replaced with CS HB 219 (Jud) the same title
 have attached amendment(s) a new title
 do pass
 do not pass
 no recommendation
 individual recommendations
 additional referral to the _____ Committee

ADOPTS: _____ letter of intent

ATTACHES NEW FISCAL NOTE(S):
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- fiscal impact _____
 zero fiscal note _____
 zero with analysis _____

- fiscal note(s) _____
 zero fiscal note(s) _____
 zero fn/analysis _____

SIGNING DO PASS:

[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

SIGNING:

(Check approp. column)

Do Not Pass
No Rec
Amend

	Do Not Pass	No Rec	Amend

[Signature]
Chairman's Signature



THE SOUTHEAST ALASKA NATURAL RESOURCES CENTER

130 Seward Street • P.O. Box 20212 • Juneau, Alaska 99802 • (907) 463-5333

RECEIVED MAR 30 1988

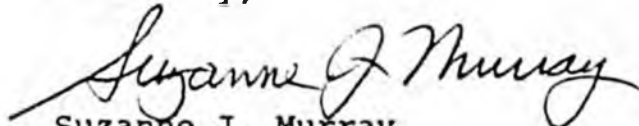
March 28, 1989

Representative Cliff Davidson
House of Representatives
P.O. Box V
Juneau, AK 99811

Dear Representative Davidson:

We urge support of HB 219 to ban hunting of Brown Bears statewide within one mile of a dump. Research shows a disproportionate harvest in areas around dumps since the bears tend to be extremely vulnerable when feeding within the dumps. Bears have a slow reproductive rate so we need support HB 219 and make efforts to clean dumps in areas of bear concentrations if we are going to maintain a healthy population within the state.

Sincerely,



Suzanne J. Murray
Regional Associate

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

POSITION PAPER FOR HB 219

Title

An Act prohibiting the taking of brown or grizzly bear near solid waste disposal facilities; and providing for an effective date.

Effect of the Bill

The bill would prohibit a person from recklessly taking a brown or grizzly bear within one mile of a solid waste disposal facility, except in defense of life or property, as provided by the bill.

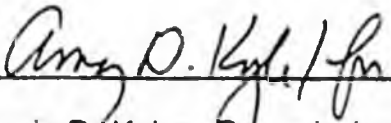
Department Position

The Department supports the intent of the legislation.

The Department is well aware of the problems associated with the attraction of bears to community landfills. We have been working with the Departments of Public Safety, Fish and Game, the U.S. Forest Service, and many communities in Southeast Alaska, to try to correct the underlying causes of these problems. A prohibition on the hunting of brown bears near solid waste disposal facilities seems appropriate. DEC defers to Department of Fish and Game to set hunting regulations.

Fiscal Effect

The bill will have no fiscal effect on the Department.



Dennis D. Kelso, Commissioner

To Members of the House Judiciary Committee
and Senate HB 219 Committees

HB 219 PROHIBITION OF BROWN BEAR HUNTING AT DUMPS

Alaska Reform is a hunter organization researching garbage bear problems and illegal game parts trafficking in North America.

Since Oct. 1, 1988, when N.E. Chichagof Island was emergency closed to brown bear hunting due to overharvest, we began surveying successful hunters to precisely locate kills for 1986, 1987 and 1988. ADF&G recommended sustainable harvest was exceeded each year, specifically from bears taken within one mile of logging camp and community dumps.

Harvest records statewide indicate numerous other areas with similar situations. Because bears will gather at remote dump sites in numbers far beyond immediate carrying capacity, they become extremely susceptible to over-expoitation in these areas. Studies show that most (70 to 80 %) bears will visit dumps within their range, although some individuals may not. There is no distinct dump bear population which might be eventually eliminated through hunting.

ADF&G biologist John Schoen and Forest Service officials believe most illegal kills are linked to garbage dumps. Schoen also believes unreported kills outnumber legal take. Alaskas garbage management lags far behind the rest of the country.

Solutions to Alaska garbage problems are being actively adressed within the severely limited DEC budget capability. Progress is slow and protection of bears at dumps is vital if we are to maintain healthy populations. Illegal and defense kills are difficult to control. Legitimate sport hunting is controllable to a large extent.

In most other states, specific hunting restrictions near dumps are unnecessary due to local ordinances against discharge of firearms in public areas. Many states and provinces have specific distances from dumps closed to bear hunting. Reasons for such restrictions include 1. poor hunter image, unsportsmanlike, 2. vulnerability of bears and 3. public safety

Because of public complaints of wounded bears in 1983, the community of Craig closed their dump to hunting and imposed a \$10,000 fine. In a Jan. 1989 letter from the Craig P.D. it stated that since the closure, "complaints about problem bears are virtually nonexistent".

In Dillingham, (Nov. 13, Bristol Bay Times) "A young brown bear had to be destroyed after a trigger happy bear watcher critically wounded it." In Hoonah, July 1988, a brown bear had to be control killed by Hoonah P.D. near dump after being gut shot with a small caliber gun.

Few of these cases make the news. Few hunters actually identify the word "dump" on harvest tickets. The general public assumes it is illegal to hunt at dumps.

Currently demand for all bears is at an alltime high for sport, for viewing and for illegal parts trafficking. Demand far exceeds supply.

Current game regulations allow one brown bear every four years. Limiting this to one bear per lifetime was discussed during the fall of 1988 Board of Game meeting.

There are 50 lottery hunts for brown bear in Alaska. All of South east is now registration permit only.

Hunter success rates for brown bear are at all time lows. (8 % for resident, 13.6% total, down from 20.4 % in 1977)

- All biological factors suggest increased exploitation. These include:
- a. smaller skull size
 - b. younger median age of bear harvested (most are well below average breeding age.)
 - c. fewer entries in record books
 - d. increasing percentage of females in harvest

The state of Alaska has placed a minimum value of \$10,000 for each brown bear taken for sport. Alive, they could be worth much more. It would be hard to justify further hunting restrictions, lotteries or closures without first addressing dumphunting, a low quality, high impact "hunt".

Prepared by,

Charles Rice

Heidi Robichaud

COMMENTS ON CURRENT BROWN BEAR POPULATIONS

Brown bear populations in AK have never been surveyed. There has, in fact, never been a method established to survey bears with any reliable degree of accuracy. The standard method used by ADF&G is harvest reports. Kill numbers can indicate relative densities if seasons, bag limits, access, method of hunting and hunter effort remain constant throughout the study period. Extrapolation from harvest data can reveal population trends, however quantitative densities cannot be determined.

A review of ADF&G biologist reports through 1988, area by area, year by year, shows brown bear populations in Alaska either "unknown", "decreasing", "possibly stable", and in 2 out of 26 units, "possibly increasing". These reports do not suggest an upward trend.

Personal observations of hunters, guides, myself and numerous other lifetime residents indicate fewer brown and black bear sightings statewide.

The most reliable method used to determine population stability is age chronology, percentage of females in the harvest and skull measurements of bears. All this information is available. Less exploited populations produce larger and older bears. More females and younger bears are killed in more exploited areas when larger males become depleted. All of these factors strongly suggest increased exploitation, with dramatic increases since 1985.

TOTAL BROWN BEAR HARVESTS

1978	819
1979	883
1980	882
1981	887
1982	823
1983	973
1984	1118
1985	1156
1986	1120
1987	1217
1988	1092

FOR SPECIFIC INFORMATION ON ANY
AREA OF THE STATE, REFERENCE
MATERIAL OR OTHER DOCUMENTATION,
FEEL FREE TO ASK. I WILL BE
AT ALL MEETINGS.

G. I. Rice

ATTENTION HUNTERS!

Hunt bears and wolves in GMU 12 & 20E (and help manage our wildlife)

Moose and caribou numbers in Units 12 and 20E declined dramatically in the early 1970's and have been kept at low levels by bears and wolves since then.

Recent studies show that about 70% of moose calves and 7% of adult moose in this area are killed by predators each year. The high rate of caribou calf mortality (42-56%) between birth and fall is slowing growth of caribou numbers.

Moose and caribou numbers can be increased. The available habitat can support many more animals. By actively hunting bears and wolves, you are part of the management team temporarily reducing predation. In the long run, more prey will support more hunting and more predators. Success depends on you!

The Board of Game has increased grizzly bear hunting opportunities by relaxing regulations near Tok:

In 20E: - no \$25 bear tag required.
In 12 & 20E: - bears killed here don't count against the 1 bear per 4 year statewide limit.

Seasons: Grizzly bear - GMU 12 - Sept. 1-June 30
GMU 20E- Aug. 10-June 30
Black bear - GMU 12 & 20E- no closed season
Wolf - GMU 12 & 20E- Aug. 10-April 30

If you are hunting moose or caribou in GMU 12 or 20E, we encourage you to legally take a bear or wolf. You'll not only take a fine trophy, and possibly some excellent meat, you'll also be taking an active part in management of Alaska's wildlife.

Do your part.

Ben - Hunt bears and wolves in Units 12 & 20E this fall.

The Grizzly and Black Bears of GMU 12 & 20E are fast becoming very scarce - you can not put on a quality guided hunt for Grizzly at this time - yet - THIS FLYER is the kind of information being handed out by our local state biologist Kelly Hovels.

rec'd 4/5/89
40

Tok River Outfitters

John E. Erickson

Master Guide & Outfitter

P.O. Box 101 • Tok, Alaska 99780 • Phone (907) 883-4092

Apr. 1 - 1989

Rep. Grossendorf

I AM writing you this letter in support of your House Bill 219 - I support the closing of Garbage Dump Hunting in S.E. Alaska - FOR Brown Bears - I would like to see this state wide on ALL species of Bears - (Grizzly Black etc)

I AM state licensed Master Guide Lic # 37 - and a Member of IGLW # 4 FBKS Pioneers of Alaska - I have hunted S.E. Alaska since Territorial Days - and until June 1st of this year it is one of my state of Alaska Guide Board assigned restrictive guide areas - #SE-5

Due to the Methods of Harvesting Timber and Practices of Federal Government - and the Timber industry (Loggers) I have seen Bear Habitat and Bear Populations Deteriorate DRastically in the last 40 years - and I know, House Bill 219 is one step in the right direction to help the Bear survive - ~~as~~ AS we all know - once they are gone that's it. Thank you
J. Erickson



Alaska Court System
State of Alaska

OFFICE OF ADMINISTRATIVE DIRECTOR

JANALEE R. STRANDBERG
Staff Counsel

303 K Street
Anchorage, AK 99501
(907) 264-8228

April 11, 1989

Representative Peter Goll
Representative Max Gruenberg
Co-Chairmen, Judiciary Committee
House of Representatives
P. O. Box V
Juneau, AK 99811

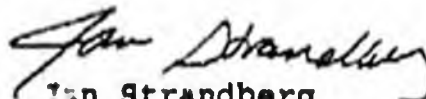
Re: House Bill 219 "An Act prohibiting the taking of brown or grizzly bear near solid waste disposal facilities; and providing for an effective date."

Dear Representatives Goll and Gruenberg:

Some of our magistrates located in rural courts have suggested the additional fine in Sec 1 (b) be defined as a specific amount rather than the fair market value of the bear. The fair market value may be difficult to determine and may require additional evidentiary hearings.

Thank you for this opportunity to comment. I'll be happy to answer any questions about this suggestion.

Very truly yours,


Jan Strandberg
Staff Counsel

JS:gb