

ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

8719 HOUSE RESOURCES

other than conifer forest cover for an extended period of time. Loss of old-growth habitat from spruce beetle infestation in the white, Lutz and Sitka spruce forests of Alaska (Southeast included) is occurring at a rate of 6-8 times the combined rate of all other forest change agents (fire, timber harvest, urban sprawl, etc.). This long-term beetle induced loss of old-growth habitat will have a significant impact on maintaining current biological diversity in Southcentral and Interior Alaska.

Lack of fully recognizing ecological impacts coupled with lack of a viable forest industry to provide cost effective management options has resulted in little direct action to address this declining forest health problem to date. Meanwhile, hundreds of thousands of acres of Alaska forests are being subject to ever-increasing negative impacts, losing future resource potential, and rapidly losing economic value that could fund positive management actions.

Long-term loss of old-growth habitat, substantial forest conversion, and associated resource impacts in the naturally fragmented landscape patterns of Southcentral and Interior Alaska, coupled with little direct action to contain the epidemic or rehabilitate previously impacted areas, make this situation the most ecologically critical issue to sustained ecosystems facing Alaska's forests today.

III. Background

Southcentral and Interior Alaska have hundreds of thousands of acres of white and Lutz spruce forest types that are simultaneously entering a mature, decadent condition and consequently becoming highly productive spruce beetle habitat. This, coupled with recent favorable weather conditions has increased spruce beetle population growths to epidemic proportions.

Systematic monitoring of insect conditions by the U.S.D.A. Forest Service has documented that the area of active spruce beetle infestation is growing at an exponential rate and will likely exceed 1 million acres by the summer of 1994.

There is currently a lack of research documenting specific resource impacts from this forest health crisis. Impacts to wildlife and streamside stability are observable, but documentation of these through research studies or published monitoring is limited.

IV. Discussion

Spruce beetle populations have shifted from endemic to epidemic levels. Halting the infestation in the near term is unlikely. However, concerted efforts by all landowners and resource managers can significantly slow the buildup, restore already impacted areas, and minimize future resource impacts from this insect.

The only recognized effective treatment to reduce hazard and risk of spruce beetle induced resource damage at the landscape scale is to maintain a mosaic of species and age types. Maximum resource values can be maintained using coordinated restoration and prevention silvicultural treatments. While economics should not be the major driver for addressing Alaska forest health problems, clearly, economics should not be ignored. The fact that implementation of forest management to address forest health will not only assist to pay for the needed forest health treatments, but meet other state goals such as rural economic development is significant. Particularly with wood product values anticipated to rise, the potential for significant economic returns from implementing forest health treatments, and consequent loss of these values through inaction, should not be ignored.

The Society of American Foresters has recently published a National Task Force report "Sustaining Long-Term Forest Health and Productivity". This report describes the need to address the sustainability of healthy forests by considering social or human forces as well as considering scientific and economic forces. A coordinated effort applying positive management actions to deal with this Alaskan forest health crisis would be consistent with the recommendations of this report to sustain long-term forest health and productivity in our ecosystems. Lack of action allowing continuation of increasing forest health decline would be inconsistent with sustained ecosystem productivity.

V. Recommendations

The Alaska Society of American Foresters recommends and fully supports:

- (a) Coordinated multi-interest forest health planning at the landscape scale.
- (b) Research to identify spruce beetle induced impacts to all forest resources.
- (c) Development of a forest industry as the funding mechanism to subsidize planned forest health actions.

The Alaska Society of American Foresters should actively highlight the need for assertive management actions to address declining forest health in south-central and interior Alaska to local, state, and federal officials. This implies implementation of ecologically and silviculturally sound management approaches that will assure maintenance of the health of the forest as well as its biodiversity.

The Alaska Society recommends using the 1994 National Convention to highlight the National significance of this extensive forest health problem and promote understanding and support for assertive ecological management applications within the American Forestry profession.

This position was approved by the Alaska Society of American Foresters Executive Committee on November 7, 1993 and will expire November 7, 1996.

or wind-thrown timber reduces stocking levels below the acceptable limit.

(g) Trees left for future harvest must be adequately protected from damage resulting from harvest operations to assure their survival and growth. (Eff. 2/15/81, Register 77)

Authority: AS 41.17.020
AS 41.17.080

11 AAC 95.180. INSECT AND DISEASE PREVENTION AND CONTROL. (a) Silvicultural systems employed on state and municipally owned forest land must be designed to prevent or control insect infestations and disease infection.

(b) When the commissioner finds forest land or timber that is infested by forest insect pests, infected by forest tree disease, or threatened by insect pests or forest tree disease, he will determine whether measures of control are necessary and available and to which areas the control measures should be applied. Thereafter, the commissioner will, in his discretion, designate a disease or insect control area with definite boundaries. The area may include threatened forest land or timber as well as forest land or timber already affected.

(c) The commissioner will immediately notify in writing all owners of forest land or timber within the designated control areas. The notice will be served by delivery of a copy of the notice to the owner, or by mail addressed to the owners' last known place of address. In addition, the commissioner will publish a legal description of the designated control area at least once a week for two consecutive weeks in one or more newspapers of general circulation in or near the designated control area.

(d) The commissioner will assist, upon request of the owners of forest land or timber within the designated control area, with the control and salvage measures necessary, to the extent that there is available funding for undertaking the assistance.

(e) When the commissioner determines that forest insect pest or forest tree disease control work within the designated control area is no longer necessary or feasible, the commissioner will terminate the designation.

(f) When trees on state and municipally owned forest land contain insects or disease which pose a significant threat to surrounding healthy trees, they must be salvaged as rapidly as is practicable, dependent upon access and marketability, to prevent spread of the forest pests or disease. Trees must also be salvaged where environmental catastrophes such as wind or flooding cause them to be highly susceptible to bark-beetle infestation.

(g) Where salvage of trees killed by insects or disease is conducted for the sole purpose of using wood fiber and is consistent with the

management objectives for state and municipal forest land, salvage should occur before wood deterioration results, if a significant loss of merchantability is to be avoided. (Eff. 2/15/81, Register 77)

Authority: AS 41.17.020
AS 41.17.080

Article 3. Forest Fire Protection

Section	Section
400. Purpose	450. Emergency closure
410. Permit	460. Public notice
420. Content of permit	470. Environmental control
430. Denial, suspension, or revocation of permit	480. Additional equipment for operations
440. Place of burning	490. Other governmental laws

11 AAC 95.400. PURPOSE. It is the purpose of 11 AAC 95.400 — 11 AAC 95.490 to provide for the protection of forested land from fire. (Eff. 2/15/81, Register 77)

Authority: AS 41.15.020
AS 41.17.020
AS 41.17.080

11 AAC 95.410. PERMIT. (a) A burning permit is required during the fire season for the burning of any material in areas designated by the commissioner. A burning permit is not required when the burning is contained within an approved device, or for cooking, warming, or signaling fires.

(b) A burning permit may be obtained by applying to the commissioner. The applicant shall provide the commissioner with information as to the type, location, and person in charge of the burning, the area and material to be burned, and the number of persons controlling the burn.

(c) An applicant issued a burning permit may not burn any material covered by the permit unless he has the permit in his possession. The permit must be displayed to a designee of the commissioner upon request.

(d) Before issuing a permit, the commissioner will, in his discretion, require that he inspect the area and material to be burned. (Eff. 2/15/81, Register 77)

Authority: AS 41.15.020 AS 41.17.020
AS 41.15.060 AS 41.17.080

11 AAC 95.420. CONTENT OF PERMIT. (a) Each permit must be on a form provided by the department and must contain

(1) the name and address of permittee;

FOR IMMEDIATE RELEASE

January 13, 1995

Contact: Dan Brown (907) 349-3430

Homer— Circle DE corporation of Homer, Alaska dropped plans to bid on a harvest of beetle killed timber located on Kalgin Island in Cook Inlet after reading threats of potential litigation by Patrick Lavin of the Trustees for Alaska, an Anchorage Environmental law office.

Recently encouraged by Judge Milton Soule's decision to block a request for an emergency stay, Circle DE owner Dan Brown decided that his company could not risk source venture capital in the face of possible litigation.

A Trustees representative recently told the Associated Press that "...there was still time for court action after the sale."

"We will not jeopardize our stockholders capital if these types of groups file more and more harassment lawsuits," Brown said.

"The Trustees for Alaska are doing the people of Alaska a great injustice," Brown said. "Their delay strategy leaves time for beetle kill to take all the value from the wood. When we started looking at Kalgin for beetle kill salvage into our Homer chipping plant there was enough value in the resource to justify the expense of careful harvest and over a half million dollars of reforestation to the island. Delays imposed by these groups can quickly erode any possibility of a profitable operation. It's a shame that the trees will just probably burn without reforestation, inflicting greater long term impacts to fish and wildlife than if we are allowed to reforest the island."

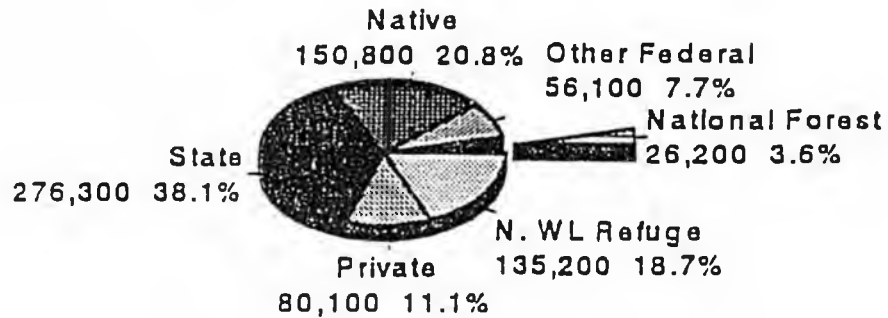
Brown points to miles of beetle killed trees along Kenai roads and suggests that had proper forest management taken place visitors would not be seeing such an ugly mass of dead and dying trees and communities like Cooper Landing would not be facing a tremendous risk of fire. All the negatives could have been avoided had industry simply been allowed quick access to the dead trees while they still had value. Such is not the case due to groups like the Alaska Center for the Environment and the Trustees for Alaska which keep operations delayed.

Circle DE operation in Homer is responsible for over 90 direct jobs, the majority of which provide year round employment. "We could put more people to work salvaging these dead and dying trees if we were just allowed access to the forest. It's a shame that these groups have to hurt the Kenai's potential for creating jobs, restoring the land and protecting long term wildlife values," Brown reflected.

ALASKA FOREST HEALTH
(continued)

This problem spans multiple ownerships, with some owners managing under a no treatment philosophy, and lack of a forest management infrastructure on others. Current infestation by ownership is:

Spruce Beetle Infestation By Ownership
1993 Survey (724,700 acres)



The largest ownerships with this problem are Native and State holdings. Native corporations are actively marketing their timber, and Alaska Division of Forestry has begun planning forest health timber sales. A substantial amount remains on "Other Federal" (primarily USFWS and Park Service). The National Forest System has a relatively minor amount of active infestation.

Market conditions now exist to support development of a forest industry. Chip export is occurring at Homer and the Seward mill is under new management. Selling values for recent sales are promising.

* The ecosystems of southcentral & interior Alaska are **DEMANDING ATTENTION**. Lack of action is contributing to increasing loss of forest values.

* Stand management with proper silviculture is the **ONLY** realistic method of addressing this problem.

* Market conditions are providing a vehicle to cost effectively address the problem.

* Public awareness and desire for action are growing. Multiple ownership management is critical.

* The Forest Service is the primary holder of expertise on how to deal with the problem.

* There is **MUCH WORK TO BE DONE** to adequately address the Alaska spruce beetle situation and stabilize the ecosystem degradation that is now occurring.

ALASKA FOREST HEALTH
3/94

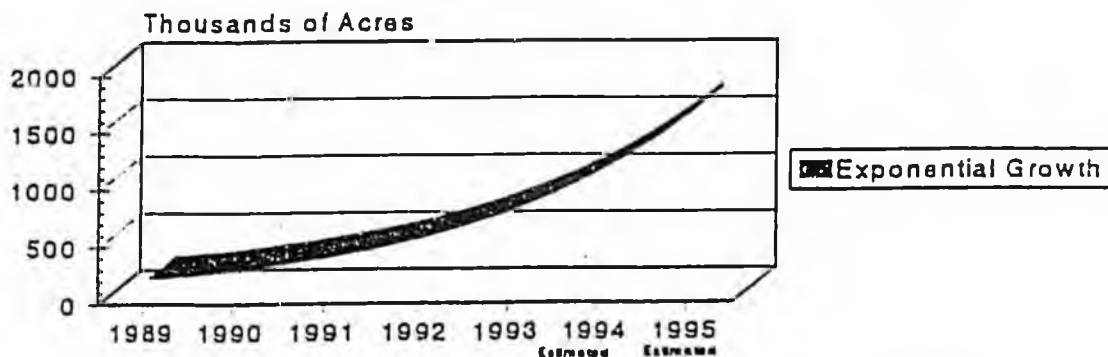
Southcentral and Interior Alaska

The major ecosystem here is boreal. This landscape is fire disturbance driven and supports mixed hardwood/spruce forests on about 1/3 of the area, mostly along river drainages. While man has influenced this system, development has been minimal and the most readily evident change agents on the landscape are insects.

Several defoliating insects (spruce budworm, Aspen Tortix, Willow Miner, etc.) are having substantial effect (these three were mapped at 1,376,300 acres last year). While crown damage from these insects is growing and would demand active treatment in most states, due to access, this damage is going relatively untreated in Alaska.

However, the extensive mortality from spruce beetle cannot be ignored. Spruce beetle populations are on an exponential increase with active infestation mapped at 725,000 acres last year. It is projected that extensive mortality will be occurring on over 1.1 million acres by next summer.

Spruce Beetle Infestation Trends



This is the largest spruce beetle infestation in North America and is substantially reducing several of Alaska's forest resource values. Mortality is often extensive with large portions of entire drainages having essentially all conifer forest cover killed. Substantial impacts to wildlife, water quality, and aesthetics are becoming recognized, however, research to quantify these impacts is needed.

- * Extensive loss of old-growth habitat, increased fragmentation, and lack of natural regeneration constitutes the largest ecological crisis facing Alaska's forests today.
- * Potential for catastrophic fires from increased fuel loadings poses a growing social problem.
- * Loss of economic forest values (tourism, wildlife/fish, and timber) will hinder Alaska's ability to diversify its economy and reduce the state's economic dependency on oil.



Alaska Environmental Lobby, Inc.

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HB 121: Salvage Timber Sales

HB 121 would create a new category of timber sale called "salvage sales", in areas where the Commissioner of DNR has determined that timber will lose its economic value due to insects, disease or fire within two years.

Section 2 of HB 121 would give the Commissioner of DNR the power to negotiate timber sales in areas where certain conditions exist or will exist within two years. These conditions include high levels of unemployment and timber which will lose its economic value due to insects, disease or fire.

AEL opposes HB 121:

*** Salvage timber sales as proposed would be exempt from existing size limits, public review under the 5 year plan, and reforestation provisions of state law.**

Consideration would only be given to the economic value of timber while other economic values such as subsistence, recreation, fish and wildlife and other forest products would be ignored.

*** Many biologists and forest ecologists believe that forest insect epidemics are often self-regulating and can actually improve wildlife habitat.** Records indicate that bark beetle outbreaks in Alaska have occurred regularly over the past 70 years, without undue effects to overall forest health. However, forest health problems are often associated with poor logging practices, road building and seismic line activities. As DNR acknowledges, cutting down the forest does not solve forest health problems.

*** These provisions would give DNR extraordinary latitude in determining and even predicting forest health, employment levels and timber values while removing from the decision-making process, the wisdom of local residents and the concerns of the public which owns and uses these resources.**

*** Salvages sales would create a loophole allowing large scale, negotiated timber sales of up to 25 years to occur in areas such as the Kenai Peninsula -- all exempt from the planning process required in other timber sales.**

*** Under current Title 38 regulations, DNR can complete the timber sale process in less than 2 years. Salvage sales should be unnecessary if DNR efficiently and competently planned sales under existing law. DNR also has the authority to carry out emergency timber sales in order to respond to forest health problems.**

W. Dunne
2/1/95



SALVAGE LOGGING: HEALTH OR HOAX?



Dr. Robert Hrubec, a PFF advisor, walks out a healthy green pine salvaged on the Sequoia National Forest. PFF Photo.

The author, Roy Keene, is a forestry consultant and tireless monitor of public forest practices. He directs the Eugene-based Public Forestry Foundation, an advocacy group which seeks to renew public forest management.

Yes, there really is a forest health problem in the inland pine and mixed conifer forest of the western Pacific states. There is also indication that we will soon be facing similar forest health problems in parts of the drier westside forests. Degradation of once healthy forests has been caused essentially by poor stewardship. The most evident aspects of human mismanagement are:

- the market driven high-grading of the largest overstory trees such as pine and larch;
- the suppression of natural fire, a vital "reset-button" for most inland forest ecosystems;
- the destruction of long-term soil productivity by heavy-handed site preparation and soil compaction from

overtly frequent tractor logging;

- the reduction of forest stand density to below-minimum basal area standards; and
- the loss of riparian forest cover on the watershed level.

The real debate is not whether there is a forest health problem. The debate is over *how* to respond to it and what activities are proposed to relieve it. The focus (and funded part) of our management agencies' current efforts to restore forest health is now concentrated on one activity: salvage logging. Historically, too much logging has helped cause the forest health problem. Can more logging cure the sick forest?

The Meaning of Salvage

The word salvage is derived from an old French word, *salver*, meaning to rescue, save or to heal as in the word "salve." The Organic Act of 1897, passed six years after the establishment of our National Forest system, echoed this concept when it permitted mortal-

ity-risk logging. "For the purpose of preserving the living and growing timber and promoting the younger growth." Gifford Pinchot's early forestry manual added shape to the Organic Act by calling for "conservative lumbering to maintain and increase the productivity and the capital value of forest land; harvest the yield more completely although less rapidly; encourage and preserve the young growth; and tend to keep out fires, drawing from the forest the best return while protecting it." Had we followed the spirit of this advice over the course of the years, we might not have an inland forest health problem today.

Borrowing from the definition of salvage, the words and intent of the Organic Act, and the tenets of one of forest conservation's fathers, I would suggest that today's salvage activities meet, as a minimum, some of these well-proven historical standards:

- Forest health salvage logging should rescue, save, or heal the site, not impact it further.
- Salvage activities should focus on preserving living and growing timber and promote younger growth, particularly in shade-intolerant species.
- Salvage activities should maintain or increase productivity as well as the capital value of the stand.
- Salvage harvesting should be efficient, yet not too rushed.
- Salvage activities should help reduce fuel levels and fire hazards.
- Salvage activities should not draw further from the forest without first protecting it.

Salvage Gets Corrupted

Although salvage activities in our public forests were fostered by doctrines of prudent forest management, salvage forestry has been bastardized and subsidized to serve special interests. Since the 1960s, management agencies and the timber industry have focused salvage activities on logging to produce budget and profit windfalls. To facilitate continuing windfalls, salvage logging has been protected from normal public forestry

reviews and controls. It has often become an excuse to "draw from the forest" without normal levels of social, economic, or biological protection.

The National Forest Management Act of 1976 (NFMA) paid homage to this sacred right to salvage. NFMA says, "Harvest size limits shall not apply to the size of acres harvested as a result of natural catastrophic conditions such as fire, insect and disease attack, or windstorm." NFMA also says, "Tree stands generally must reach their culmination of mean annual increment prior to harvest. This requirement shall not preclude salvage or sanitation harvesting of stands which are substantially damaged by fire, wind throw, or imminent danger from insect and disease attack."

What do our forest managers interpret as "catastrophic conditions," "substantial damage," or "imminent danger?" They may consent to the science that fire, insects, disease, and wind are all vital components of a healthy forest ecosystem, but they still react as though natural disturbances are the enemy of healthy forests. The bureaucratic overreaction to natural disturbance is enforced by budgets, tree farm mentalities, and the politically influential timber industry.

Modern timber companies, particularly the multi-state corporations, have long used multi-regional strategies to keep public logs rolling into their yards. There was little interest in eastside forest health during the spruce budworm epidemics of the early 1970s, when higher value westside old-growth was plentiful. But when the cut in westside Region 6 was temporarily stymied by the spotted owl injunctions, industry took a sudden interest in inland forest health and the Sierran forest fire hazard. They quickly convinced Congress and the Bush Administration to expedite salvage logging as a cure-all. This led to further enhancement of salvage logging as a sacred cow with Executive Orders, administrative intimidation, and further NEPA loopholes to expedite logging.

Continued on page 4

Association of Forest Service
Employees for Environmental Ethics
PO Box 11615
Eugene OR 97440

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Permit No. 574



Copper River Forest Products Co., Inc.



2/2/95

Representative Bill Williams
State of Alaska
Juneau, AK
Fax 907-456-3753

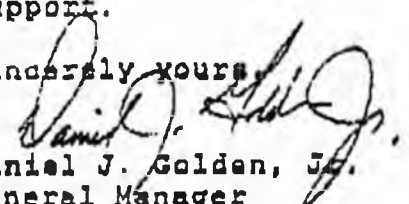
Reference: HB-121 an Act Relating to Timber Resources
within the State of Alaska

The Honorable Bill Williams:

Thank you for sponsoring responsible legislative support for natural resource utilization in compliance with the Alaska Constitutional mandate (Article V) of sustaining optimal use. In keeping with that mandate, Copper River Forest Products specifically and strongly supports HB-121. Our company is in the business of creating useful forest products from dead and dying forests in interior forests of Alaska. We would like to go on record for future resource issues of being in support of wise use and sustained yields.

Please feel free to call on me personally or our company for support.

Sincerely yours,


Daniel J. Golden, Jr.
General Manager

P.S. Page 2, line 4 should have added the word (and/or) before the added verbage. This will add flexibility by adding dead, diseased etc. to AS 38.05. Failure to add this terminology will limit the use of this law to exclusive "salvage" activity.

Recommendation: Provide added verbage which requires the state to affirmatively respond to qualified applicants.

Thank you!

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

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Borrowing from the definition of salvage, the words and intent of the Organic Act, and the tenets of one of forest conservation's fathers, I would suggest that today's salvage activities meet, as a minimum, some of these well-proven historical standards:

- Forest health salvage logging should rescue, save, or heal the site, not impact it further.

- Salvage activities should focus on preserving living and growing timber and promote younger growth, particularly in shade-intolerant species.

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- Salvage harvesting should be efficient, yet not too rushed.

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Salvage Gets Corrupted

Although salvage activities in our public forests were fostered by doctrines of prudent forest management, salvage forestry has been bastardized and subsidized to serve special interests. Since the 1960s, management agencies and the timber industry have focused salvage activities on logging to produce budget and profit windfalls. To facilitate continuing windfalls, salvage logging has been protected from normal public forestry

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The forest salvage issue is complex. There are opportunities to utilize prudent salvage to restore forest health, but they will not necessarily produce market-desirable timber. Behind the smoke screen of timber production-biased salvage logging, there are some sincere restorative activities.

Current salvage logging has produced a replacement supply of undervalued logs, often from the far corners of inland western regions. This undervaluing allows mills in Oregon's Willamette Valley to profitably truck or "tail" timber in from far away salvage sales in Washington, California, Idaho, and Utah, as well as the relatively near eastside of Oregon. I call this the "waterbed allowable cut" (WAC): When the cut is pushed down in one place, it pops up in another. This time the cut has resurfaced in the form of salvage logging, candy-coated for the Congressional conscience with ecological phrases like "fire prevention" or "forest health."

Data-Free Analysis?

In some rural forests dominated by local mills, there is little pretense in salvage timber sales of addressing real forest health or fuel loading problems. This lack of concern for our forests in favor of the "cut" is supported by scant research, thin environmental assessments, and a general lack of publicly available information on forest stands marked for salvage logging.

When Public Forestry Foundation's staff foresters reviewed a great number of salvage EAs and EISs, including the acclaimed Blue Mountain Forest Health Report, they found little information on actual tree mortality broken down by previous activity history, site quality, tree species, age classes, or stem diameters. This lack of data allows forest stands to be conveniently lumped together and the remnant market-desirable trees like pine, larch, and Douglas-fir (usually the least affected by a "catastrophe") to be removed with or instead of smaller, white-wood stems.

It is these stands of smaller, younger true fir and spruce that generally have the highest observable mortality (usually due to budworm and pathogens) and, conversely, the lowest market value. These shade-tolerant, understory stands were regularly thinned or removed by frequent historic fires as well as by insect defoliation and pathogens. Today, in many areas, defoliators like spruce budworm are functioning as a natural backup system to reduce crowded, shade-tolerant understories in the absence of fire.

Cautions

The forest salvage issue is complex. There are opportunities to utilize prudent salvage to restore forest health, but they will not necessarily produce market-desirable timber. Behind the smoke screen of timber production-biased salvage logging, there are some sincere restorative activities. Consequently, citizens attempting to block salvage logging need to be careful not to throw the baby out with the bath water. Judgment calls made from desktops, highways, or airplanes will not be as productive as site-level visits in providing intelligent, site-specific monitoring and reporting. These visits will help separate the bad from the good, allowing us to expound models and build standards from them. Identifying good models and standards will help expose and correct misguided salvage activities and will also allow us to renew and redefine the original mission and concept of forest salvage.

In the next couple of years, we will see many inland districts produce a much larger portion of their timber quotas from salvage sales. This could be beneficial if we can capture mortality without degrading the site and can count salvage toward green tree allowable sale quantities. Current regulatory exemptions for salvage sales will be stretched far and wide. Lawsuits may create opportunities for change, but will not foster change in themselves. The power to change salvage logging from a scam to produce substitute timber supplies at the expense of forests and taxpayers into a sincere effort to restore dysfunctional forest ecosystems is vested in an intelligently concerned public.

Looking back into history and considering today's growing human populations and shrinking forests, it is obvious that where there are forests and people, there will be forestry. Stopping forestry, including fire suppression on public lands, is not socially or politically realistic. Concerned citizens and benevolent public forest managers must continue to work together to create the definitions, dialogues, and models that will redirect public forestry toward restoring our national forest heritage rather than exploiting it.



Copper River Forest Products Co., Inc.



2/2/95

Representative Bill Williams
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Juneau, AK
Fax 907-456-3753

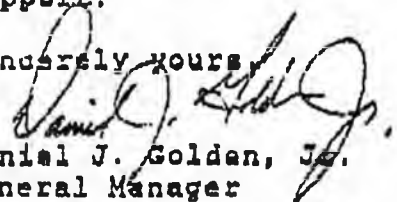
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Sincerely yours,

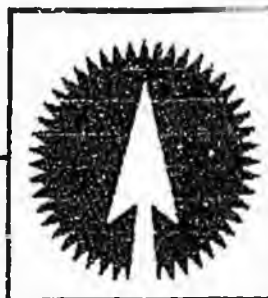

Daniel J. Golden, Jr.
General Manager

P.S. Page 2, line 4 should have added the word (and/or) before the added verbage. This will add flexibility by adding dead, diseased etc. to AS 38.05. Failure to add this terminology will limit the use of this law to exclusive "salvage" activity.

Recommendation: Provide added verbage which requires the state to affirmatively respond to qualified applicants.

Thank you!

Alaska Forest Association, Inc.



111 STEDMAN SUITE 200
KETCHIKAN, ALASKA 99901-6689
Phone 907-226-6114
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Position Paper of The Alaska Forest Association, Inc. regarding: HB-121, "An act relating to the timber resources within the state"

This is a healthy forest enabling bill. It will not be surprising to members of the Resources Committee that those who make their living from the forest support a bill which makes it easier to salvage dead and dying trees while there is still enough value in them to pay for the reforestation of the impacted area.

A key part of the bill allows the Department of Natural Resources to expedite its timber sale program for insect, disease or fire damaged trees located on state lands. Most members of the House Resources committee have seen the miles of dead trees on the Kenai peninsula. For the most part those trees could have been responsibly harvested - producing a substantial number of jobs and economic activity to the region - if the private sector simply had permission to access them before they deteriorated to an uneconomic level. HB-121 will help the state to better manage infested or diseased lands in the future.

The state's most recent timber sale on Kalgin Island provides a good example of the possible benefits of HB-121. Attached to this paper is a recent press release from the Homer firm of Circle DE, Inc. Circle DE is a local forest products manufacturer who employs about 70 people, full time, in Homer, Ak. Circle DE says that due to the deterioration of the resource (and the threat of protracted lawsuits from environmental organizations) there remained insufficient value in the forest to pay for state required reforestation, sale cost, and development infrastructure. Because of these factors they chose not to bid on the recent Kalgin sale. We suggest that had HB-121 been in place in 1992 or 1993, when the Kalgin infestation was just taking over the island, there conceivably could have been enough value in the trees to run the gauntlet of environmental lawsuits, pay for a half million dollars of reforestation, while still allowing an operator to make a profit.

It is important for the committee to understand the great importance of "quick access" in getting the private sector to help pay for reforesting infested areas. There is substantial and irreversible loss of product value after an area is significantly impacted by spruce beetles. Beetle infested logs do not sell well in Alaska's traditional forest products markets. Best estimates, depending upon the location of a specific infestation, are that at a point about 2-4 years after significant attack standing spruce will have lost virtually all potential economic value except for wood chips, or the local firewood market. The state's current management requirements establish a minimum 2 year period for the sale to take place - almost assuring a difficult effort for private bidders to come up with enough sales receipts to pay for reforestation and other costs.

As a result of delays and lawsuit threats millions of currently infested trees are expected to either rot on the stump, or succumb to fire. In either event "natural" regeneration processes are expected to take much longer to reforest the land than a managed reforestation. This is expected to result in greater, and longer term, damage to habitat values for fish and wildlife, and a loss in regional economic activity, than if Alaskans were allowed to harvest and reforest the island.

We suggest that the Alaskan public benefits with passage of HB-121. HB-121 helps Alaska by:

- * Reduces the life-safety risk of forest fires - especially on the Kenai Peninsula
- * Reduces the risk of fire-related property damage
- * Facilitates year-round, high wage jobs and increased economic activity in predominately rural areas
- * Assists in accomplishing proper forest management on state lands
- * Helps to decrease the potential for further beetle related forest damage to adjacent, uninfested, areas
- * Helps maintain the long term viability of soils which might be "sterilized" as a result of a beetle kill fueled wildland fire
- * Helps expedite the recovery of the forest after an infestation
- * Reduces long term negative impacts to fish and wildlife which depend upon the traditional forest nature of the area
- * Allows the state to selectively harvest areas where the beetle is starting to attack - to protect what then remains of the old growth forest
- * Allows for quicker recruitment of large woody debris into salmon streams than if the forest dies and decays without managed reforestation
- * Allows the state to quickly re-establish a forest that once was managed for sustained yield
- * Encourages and enhances local private investment and tax receipts
- * Reduces negative impacts to the "bio-heart" of the forest -
- * Allows the state to defend against huge changes in the landscape without some effort to preserve established habitat and existing forest values
- * Helps the state to maintain sustainable ecological functions, processes and biodiversity of the forest
- * Gives the state a small tool to help with a tremendous, increasing, problem (1 million acres under infestation right now - and growing at an increasing rate.) Estimates are that 20 million Alaskan trees were forever killed by the beetle last year (federal lands estimate) - that's about three hundred and eighty (380) trees killed just while you read this document. HB-121 can help provide a small tool to assist in reducing that part of the insect and disease problem located on state lands. (Healthy forest values have already been lost on over 50% of the productive forest land on the Western Kenai Peninsula.)
- * Reduces further loss of healthy, mature, cone producing conifers to the spruce beetle (- the genetic implications may be significant for the next generation of conifers in the region)
- * Helps create substantially better long term fire management infrastructure and access for regional fire protection

- * Helps maintain trees as dominate to grass in traditionally forested areas
- * Helps reduce what is currently being paid to protect people from increased fire risks (government paid fire breaks) as a result of the heavy loading of fuels in a dead and dying spruce forest
- * Helps reinforce existing public support for producing jobs with dead and dying trees. (The Kenai Peninsula Borough is on record as supporting salvage and replanting - there have been over 100 public hearings on what to do with the beetle infected areas according to Borough planners).
- * Increases stumpage revenues to the state versus the current system - generally speaking - the quicker the sale the greater the benefit to the state's treasury
- * Defends against loss of tourism and recreation values by protecting healthy trees and expediting reforestation after an outbreak

In addition to requesting your favorable consideration of HB-121 we would like to address factual errors and misunderstandings that we see being circulated as arguments against HB-121:

This bill would not exempt salvage timber sales from public review - there would be the standard review period (30 days) required for all state timber sales - whether salvage or normal sales.

This bill does not exempt timber sales from reforestation provisions of existing state law. Operators will have to reforest harvested areas as is currently required under state rules (11 AAC 95.375.)

Considerations currently given to the non-economic values of the forest are not restricted by HB-121. Such considerations are required under a Forest Land Use Plan for any salvage sale proposed under HB-121. This FLUP follows strict state requirements which must evaluate other, non-economic, values of the forest.

Some recommend a "no-treatment" option as being better for wildlife habitat. We suggest that where an opportunity exists to have Alaskan businesses pay for the costs of the sale, reforestation and harvest/transport of the infested timber that "no-treatment" is not the best solution for managing fire, insect or diseased timberlands. We encourage the Committee to take the general view that, for the vast majority of infested lands, the best management possible exists where citizens can gain productive economic activity while improving the health of the forest at the same time - including the health of the forest for wildlife.

Some would argue that any authority given a DNR commissioner to negotiate a solution to a beetle problem removes the decision making process from the people. These statements ignore the requirements for public process which will still dominate the timber sale program if HB-121 is passed.

Some incorrectly suggest that there is no limit to the amount of time a company could have access to the forest under a negotiated sale. In reality if the sale is a negotiated sale it is limited to a duration of no greater than one year.

Attempting to delay access to infested trees seems to be the historical weapon of choice for those who seek to constrain a realistic solution to the spruce bark beetle problem in Alaska. As an example, one organization's recent court efforts to stop a state timber sale forced ADNR to copy and code over six thousand nine hundred pages (6,900) of public-process, and other documents, associated with the sale. The judge supported DNR's work, and refused the requests of the Trustees for Alaska, but the staff time could have been much better used managing the state's forests than consumed in responding to a continuous stream of repetitive lawsuits. HB-121 provides a small tool to reduce the future success of those who would purposefully seek to delay insect damaged timber sales.

Better management of standing dead forests may save lives. One state fire specialist estimated in 1991 that under the right time of year, and rain conditions, that over 20,000 acres of beetle kill forest could burn in one day. Committee members who happened to be in the area wouldn't be able to run fast enough to avoid that type of fire. Although the chances of these conditions happening at once are remote, and land circumstances on the Kenai have changed since that time, we point out that real citizens and their homes are threatened by real fires. This threat can be reduced if the state were to salvage dead and dying trees while there was still sufficient value left in them to justify fuel loading reduction and reforestation costs.

For the above reasons we urge the House Resources Committee to approve HB-121 as a small tool to help manage dead and dying forest land in Alaska.

Alaska State Legislature
House Resources Committee
Hearing on HB 121
February 3, 1995
Testimony of Bob Loiselle
President, Klukwan Forest Products, Inc.
Juneau, Alaska

Mr. Chairman and members of the committee, I very much appreciate the opportunity to testify before you today on this important bill.

I am sure that you will receive much thoughtful and well-considered testimony on this measure, both for and against. Some will be based on philosophical beliefs. Mine is based on my philosophy that we should make wise use of our resources, but is also based on my personal experience as a purchaser of state timber sales in recent years. Based on this experience, there is no doubt in my mind that this bill is needed.

The recent Kalgin Island sale (Cook Inlet) is a good case in point. Our company's cruise of this timber indicated that 57% of the trees were dead and 90% were infected by the spruce bark beetle. Despite DNR's successful defense of a motion to stay this sale, the sad fact was when bid day arrived, no one came. The timber was of such poor quality that most would have had to have been chipped for pulp and there was simply not enough revenue to cover operating cost.

We recently completed a sale on the Haines State Forest where 70% of the timber was suitable only for pulpwood and the soon to be bid Falls Creek sale on the Kenai will likely have an even higher pulpwood percentage.

Allowing the timber to get to such a sorry condition makes it more difficult to complete successful sales, dramatically reduces revenues to the state and removes timber from the timber base which would otherwise generate economic activity.

Another important consideration is the fact that without timber sales, there is no money to reforest beetle-killed areas. Current DNR sales require the purchaser to reforest. If the sale does not take place, not only is the current crop lost, but the stand may languish for years until natural regeneration can eventually take hold. This is particularly true in the interior.

As the beetle epidemic continues to spread, we find DNR continually behind the curve in getting sales out. It is time to let them try to get ahead of the curve.

Of course, HB 121 is not a panacea for the state's timber management problems. Other issues such as funding, a planning process that treats timber as a residual use, allowable cuts that do not consider that if man does not harvest, insect and disease will and many other factors contribute to the problem.

Nonetheless, this measure provides a useful tool for your forest managers to use to help address the problem. These managers have done their best over the years to address these problems, but often have had both hands tied behind their backs. Perhaps now we could at least cut one free.

Finally, I sure that you will hear that we can't give these people this much latitude, that they can't be trusted. I do not believe this is the case at all. These people are professionals and their actions are still subject to more than adequate public review and scrutiny, as well as reams of law and regulation.

It has been my pleasure to speak to you today and I truly appreciate the opportunity. I wish you the best in your deliberations and if I may be of assistance to you in any way, please do not hesitate to call.

**POSITION OF THE KETCHIKAN PULP COMPANY
REGARDING HB 121
A BILL TO EXPEDITE THE SALVAGE OF DEAD AND DYING TIMBER**

The Ketchikan Pulp Company fully supports HB 121 as a method of expediting the salvaging of dead and dying timber, while still maintaining the quality of our environment. HB 121 is needed to address the urgent forest health crisis on the Kenai Peninsula and those future forest health crises which will certainly erupt in other forested regions of the State.

This legislation would allow for retrieving the greatest value from a State forest resource which is currently not being realized due to a lengthy procedural process which renders the resource valueless due to decay. Not only does the status quo result in an economic loss in State revenues, it also contributes to the continuing decline of forest health, loss and delayed rehabilitation of fish and wildlife habitat and the loss of the natural character of the forested areas we all enjoy. HB 121 would rectify this situation and allow for the timely rehabilitation of fire killed, insect infested, diseased and wind-thrown forest stands.

KPC urges the House Resources Committee to support HB 121 as good public and forest resource policy.

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**HOUSE RESOURCES COMMITTEE
HEARING ON HB 121 - FEBRUARY 6, 1995**

**Testimony of Ronald R. Wolfe, Chief Forester
Klukwan Forest Products, Inc.**

Good morning Mr. Chairman, and members of the House Resources Committee, thank you for the opportunity to offer my testimony in support of House Bill 121. This is an important tool for the Commissioner of Natural Resources to respond to unique economic circumstances, or to respond to natural disasters such as: bark beetles epidemics; catastrophic wind throw; and forest fires.

As someone who participated extensively in the Forest Practices Act review several years ago, I see this as a fulfillment of that review. The summary report on page 43 of what's known as the green book, specifically lists these emergencies as being exceptions to the five year sale schedule requirement. Clearly the Forest Practices Act Steering Committee recognized this as a necessary tool.

As you know currently, the State Forester must advertise timber sales for at least two consecutive years on the five year timber sale schedule before they can be sold. But neither natural disasters nor economic emergencies read Title 38 so it is good public policy to give administrators the ability to respond to these circumstances. Furthermore, sound public policy is preserved in this bill by requiring the commissioner to make a written finding that the disposal will serve the best interests of the state.

KFP's experience with recent state timber sales absolutely reinforces the need for this legislation to be passed as soon as possible. Timber offered on one sale was too far gone to have enough value to pay the operating costs, so industry was unable to bid on the timber. Had this timber been offered earlier as a salvage sale the state would most likely have enjoyed positive timber sale receipts, the economic benefit of this commercial activity, and the area could have been reforested in accordance with sound stewardship and good public land policy. Even on the sales that the state recently sold, the value of the timber is less because the sales weren't offered in a timely response to the bark beetle epidemic on the Kenai Peninsula. This is not good public policy, nor is it wise use of the state's precious natural resources.

As a professional forester this is so intuitively logical it is hard to understand how anyone can object to this bill. I therefore urge you to pass this bill.

Thank you.



ALASKA T WOMEN IN TIMBER

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TESTIMONY ON HB-121
FEBRUARY 3, 1995

Good morning, my name is Sandra Meske and I am President of Alaska Women In Timber. I am here to support HB-121.

HB-121 is a healthy forest enabling bill. It allows the Department of Natural Resources to expedite its timber sale program for insect damaged trees on state lands, which will in turn assist in proper forest management on state lands.

I strongly urge you to assist Representative Williams in passage of HB-121.

Thank you for your time and consideration.

*Sandra J. Meske
President of Alaska Women In Timber*

Serving Alaska for 20 years



Resource Development Council for Alaska, Inc.

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503-2035
Phone 907/276-0700 Fax 276-3887

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RDC position on HB 121

An Act relating to the timber resources within the State
House Resources Committee Hearing
February 3, 1995

On behalf of the Resource Development Council for Alaska, Inc.,
thank you for the opportunity to comment on HB 121, an act
applying to salvage timber sales.

RDC is a statewide, membership-funded, non-profit, pro-
development organization working on behalf of Alaska's basic
industries, including oil and gas, mining, timber, fishing and
tourism. RDC's membership includes the aforementioned
industries, as well as the sectors which support those industries,
such as construction labor and other technical service providers,
individuals, Native corporations, communities and a wide variety
of Alaska interests.

RDC is a proponent of a healthy forest products industry and has
worked over the years to advance a forest health initiative
addressing the spread of the spruce bark beetle infestation in
Southcentral and Interior Alaska. RDC supports HB 121, which
would remove salvage timber sales from the requirement of
appearing on the five-year schedule for two years before they are
sold. RDC also supports amending the negotiated sale authority
in current law to include timber that will lose substantial economic
value due to disease or fire.

There is a great deal of misinformation about this legislation,
which is NOT a breach of the Alaska Forest Practices Act but a
fulfillment of it. The Forest Practices Act provides exemptions to
the five-year schedule for timber salvage.

Currently, the Commissioner of Natural Resources can conduct a
negotiated sale if there is a high level of unemployment,
underutilized manufacturing capacity and an underutilized
allowable cut of state timber. HB 121 merely amends current law
to add "timber that will lose substantial economic value due to
disease, fire or land use conversion." The bill simply adds another
circumstance under which the commissioner can utilize the

Page 2/RDC comments on HB 121 - February 3, 1994

existing negotiated sale authority. The bill will give DNR the ability to accelerate its timber sale program for insect-damaged trees.

Time is a critical factor in harvesting dead or dying timber and reforesting infested stands. After an area has been infested by spruce bark beetles, there is irreversible loss of value to the timber. After two to four years of infestation, spruce stands will have lost nearly all of their potential economic value except for wood chips and firewood. HB 121 will allow the private sector to respond in a timely manner to harvest dead trees and reforest infested areas. It is important to recognize, however, that once the trees deteriorate to an uneconomic level, there is insufficient value in the forest to meet the costs of state-required reforestation, as well as the costs of the sale and the infrastructure required for harvests.

HB 121 provides the tools to advance proper forest management on state lands and help decrease the potential for damage to the forest and its resources. This bill will help expedite the recovery of the forest by promoting managed reforestation which is considerably faster than natural regeneration. Habitat values for fish and wildlife will benefit if Alaskans are allowed to harvest and reforest. In addition, HB 121 will encourage the establishment of a rural forest products industry with year round jobs and tax revenues for local communities.

Our trees are rotting on the stump and a major fire potential exists. RDC encourages the House Resources Committee to pass this legislation and move beyond the gridlock surrounded this issue.

Thank you.

*Testimony by Ken Freeman
House Resources TC 50149
on Feb. 3, 1995*

Terry T. Brady, d/b/a
Husky Wood & Forestry Services
3842 Wesleyan Drive
Anchorage, AK 99508

Phone (907) 333-9462
Telefax (907) 333-9462

Date: February 7, 1995
To: Rep. Bill Williams and House Natural Resources Committee
Telefax No. 465-3793
(pls. forward to Rep. Williams)
From: Terry T. Brady, M.S. (forester)

=====

This is testimony in favor of House Bill 121, for an act entitled, "An Act relating to the timber resources within the state."

For too long the precious forest resources of Alaska have been under siege by controllable destructive agents that have been robbing the forests of their vigor, and Alaskans of opportunity. It is time to mount large scale salvage operations to recover lost values, and to prepare the forest environment for rehabilitation in the form of reforestation.

The loss to the Alaska economy, from just the bark beetle, is estimated at more than \$1 billion annually. Wildlife habitat loss is ever increasing. Forest degradation by the spruce bark beetle has been calculated at 2,000 acres per day when figured on an annualized basis. This is nearly 1 million acres per year.

Other agents are destroying the forest. These include diseases borne by fungi, that are attacking old and stressed trees. The evidence is discernible throughout the state.

In addition, in Southcentral and Interior Alaska the forest floor fuel loading, from fallen trees, is now a serious concern, because of the threat of wildfire.

Unfortunately, the State of Alaska, has had ample authority to meet and beat this problem. The administrations, however, have either side-stepped the issue, or have blatantly refused to take action. The losses to the public are now subject to lawsuit.

The Legislature, in its wisdom, has given the administrations authority. HB 121 will broaden that authority, joining or expanding AS

41.15.010 et seq., AS 38.05.110-120, and AAC 71.010 (d), concerning salvage and negotiated timber sales.

The cumbersome five-year scheduling provisions of AS 38.05.113 have failed to slow the advance of the spruce bark beetle. Less than 20 million board feet of timber has been offered, for example, in the Kenai-Kodiak area, during the past 2 years.

The largest of these sales, Kalgin Island, was not even bid on by industry, because the spruce beetle has virtually destroyed the commercial value (and habitat amenity) of the spruce forest on that island. The inventory on the island went from about 70 million to less than 10 million in three years.

This scenario is being repeated in the Moose Pass area, in the Copper River Basin, in the Susitna River region, and now in the Yukon-Tanana areas. Haines has been hit, but land management agencies (Univ. of Alaska) has taken a more aggressive stance there.)

HB 121 will give the bureaucracy another tool, one I guarantee will be welcomed by the private sector, and responsible land managers within government.

Thank You



ALASKA CENTER *for the* ENVIRONMENT

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(907) 274-3621 • fax: 274-8733

February 3, 1995

Rep. Bill Williams, Co-Chair
House Resources Committee
State Capitol
Juneau, AK 99801-1182

Re: HB 121, Salvage Logging

Dear Representative Williams:

Thank you for the opportunity to testify on HB 121 this morning. We would like to take advantage of the further opportunity you mentioned to submit more detailed testimony than was possible during the hearing.

I have been working on spruce bark beetle issues for nearly ten years, and have served on the U.S. Forest Service's Cooper Landing Working Group, the state's Forest Health Initiative Task Force, and the Forest Service's Moose Pass Working Group (still ongoing). I recognize--we all recognize--that there is a sizeable beetle infestation on the Kenai Peninsula (as well as infestations elsewhere), and that there are large numbers of dead and dying white and Lutz spruce trees as a result (although other tree species are generally not affected, including black spruce, hemlock, birch, aspen and cottonwood). But knowing that doesn't answer the question: what is the appropriate response?

We oppose HB 121. Fundamentally, we don't agree with the assumptions underlying the legislation. For example, HB 121 assumes that logging, that is, the extraction of a single commodity, is the primary value and use of our forests. However, last year hundreds of people testified (in opposition to SB 310) that they believe that a number of other resources and uses are equally or more important than commodity extraction--for example, fish, wildlife, water quality, soils, subsistence, recreation, tourism, scenic beauty, wilderness, and overall ecological health of the forest. All of these resources and uses have economic value, many of them far more proven, for example, than commercial logging of marginal trees on the Kenai Peninsula. Nearly all of them also contribute substantially to the quality of life for Alaskans. The legislature has stressed repeatedly how important it believes multiple use of our lands is; it would be ironic if it were to pass a bill like HB 121 that gives commercial logging a clear preference on our forests.

Additionally, HB 121 assumes that dead and dying trees that are not salvaged are wasted. This is far from the truth. Individual trees are not immortal. In fact, of course, their death is essential to new life and to a healthy forest. For thousands of years, the

health and regeneration of our forests has been dependent on the nutrients released from the decaying of dead trees. Dying and dead trees also provide food and habitat for other plants and animals. Ecologists have suggested that many trees might be ecologically valuable for a longer period of time when they're dying and dead than when they're vigorous.

HB 121 also assumes that salvaging infested trees is a benign activity. That too is not true. Present day logging and road building, and increased road access, often result in serious adverse impacts to fish, wildlife and vegetation (including essential so-called "lower" forms of life), water quality, soils, scenic beauty, and wilderness--and the economic and non-economic activities dependent on those resources. We tend to seek advice on this issue from the logging industry, and from foresters in the state Division of Forestry who promote that industry. But "forester," and "forestry," are somewhat misleading terms. Foresters are trained not to try to maintain the health of the forest as a whole, but to grow trees so that loggers can cut them down. Many other scientists will offer a very different opinion concerning the wisdom of large-scale logging as a response to the beetle. For example, reports from U.S. Forest Service resource specialists on the Moose Pass situation suggest that the area's fisheries, hydrology, recreation opportunities, and views would be harmed more by large-scale logging and road building than by the beetle itself.

It was argued today (as it often is) that this logging will help halt the spread of the beetle. However, you would have a hard time finding a single reputable scientist (including foresters) who would say that logging would have this effect. Similarly, few if any state or federal foresters would tell you that reducing the fire hazard is an adequate justification for large-scale logging on the Kenai Peninsula; to do so would be an unjustified and irresponsible appeal to mostly groundless fears.

We also agree with the many others who said that the bill is not necessary. Less than two years is not too long a period for decisions as controversial as these are, and if much of the impetus for the legislation is the Peninsula it is clearly not needed since virtually all of the infested acreage has already appeared on the Five Year Schedule for two years. The Division of Forestry is proposing to cut two-thirds or more of all of the state-owned commercial forest land on the Peninsula in approximately 10 years.

As well as because of these fundamental flaws, we are opposed to HB 121 because of a number of its specific provisions or effects.

It would reduce the opportunity for public review and comment by eliminating the five year schedule requirement.

It would reduce it even further by encouraging negotiated sales.

It would eliminate the size and contract term limits for negotiated

sales. As someone else pointed out, the whole Tanana Basin (or Kenai Peninsula) could be quietly disposed of by negotiation.

It would eliminate reforestation requirements, something virtually all Alaskans feel very strongly about.

It would authorize salvage sales if timber would lose "substantial" economic value (commodity value, that is) if not salvaged within two years. What does that mean? If saw timber provides the greatest commodity value (in state, at least), is any timber that is no longer useable as saw timber available for a salvage sale? What about chips, pulp, house logs, firewood, etc.? Beetle-killed timber is valuable for these purposes for much longer periods of time. Of course we also shouldn't overlook the fact that many Alaskan forests, like those on the Kenai Peninsula and in the Mat-Su Valley, are only marginally, if at all valuable as commercial forests. This is not the Pacific Northwest. Many people who are knowledgeable about the logging industry will tell you that these forests are far more valuable for fish, wildlife, and recreation (this is the conclusion of the Chugach National Forest Plan, for example) than for commercial logging.

The primary purpose of Section 118 is probably to make use of an underutilized milling facility, and there was testimony from Seward this morning suggesting that this bill would help supply the Seward mill. Yet thousands of acres of private Native corporation lands on the Peninsula as being logged right now, and those logs are going not to the mill but overseas, either as round logs or as chips. There is no reason to believe that logs from state lands won't go to the same place.

It was instructive to note that nearly all of the people who testified in favor of HB 121 this morning were from the logging industry, not the general public. Industry representatives will always testify in favor of measures promoting logging, even if they're not interested in bidding on the sales that might result (many logging sales on the Peninsula, for example, either don't sell or are soon defaulted). The general public does not favor large-scale logging, and it wouldn't believe that insect infestations are a reason to change its mind if it heard not just from loggers and agency logging advocates about the respective effects of the beetle and of large-scale logging and road building, but from ecologists, fish and wildlife biologists, hydrologists, recreation specialists, soils scientists, and watershed experts as well.

Thank you for this additional chance to offer our comments. We urge you not to go forward with this bill, but to allow us to continue to make these decisions under existing law--which in any case have hardly prevented the Division of Forestry from going full

02-05-1995 22:23:11 FROM 10 15074023195 26 1.84

speed ahead on the Kenai Peninsula.

Sincerely,

Cliff Eames

Cliff Eames
Issues Director



Alaska
Wilderness
Recreation &
Tourism
Association

Sustainable recreation and tourism for a quality future

P.O. Box 1353
Valdez, AK 99686
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February 3, 1995

To: Joe Green, Bill Williams: House Resources Committee Co-chairs
From: Bill Copeland, testifying on behalf of AWRTA

RE: HB 121: Salvage Timber Sales

The Alaska Wilderness Recreation and Tourism Association is a group representing Alaska's tourism industry with over 100 business members ranging from wilderness lodges, air taxi operators and rafting, hunting and fishing guides to private and guided recreationists, the outdoor equipment stores that supply them and outdoor education and agency professionals.

AWRTA promotes continuing conservation and appropriate use of natural resources, professionalism and high standards in wilderness dependent tourism, guiding and outdoor recreation, and low impact sustainable wilderness recreation and tourism.

AWRTA is concerned that Alaska will lose its market share in the global ecotourism market if decision-makers do not carefully consider the impacts of resource management and development on the tourism industry. We hope the following data will alert you to this potential problem.

Eco-tourism comprises about 10% of the \$315 billion that Americans spend each year on travel. It's the industry's fastest growing segment, with a growth rate of 20% per year. A recent U.S. Travel Data Center survey found that 43 million Americans will take an adventure travel/ecotourism trip within the next three years (Lester Reingold, "Identifying the Elusive Ecotourist," in *Going Green: The Ecotourism Resource for Travel Agents*, published by Tour and Travel News, Oct. 25, 1993, p. 36). The World Tourism Organization contends that most of the 86% increase in worldwide tourism receipts projected by the end of the century will come from active, adventurous, nature and culture-related

travel, falling within the definition of ecotourism.

According to the *Alaska Visitor Statistics Program*, visitor satisfaction with their Alaskan trips declined in 1995. A review of visitor's written comments indicated two major reasons for the decline: a dissatisfaction with clearcuts in Southeast Alaska and the lack of wildlife viewing opportunities in Denali National Park.

According to *Alaska: Economy Performance Report 1994* (State of Alaska, Division of Economic Development, Department of Commerce and Economic Development) in 1993, Alaska visitors spent \$1.5 billion. This created 15,200 jobs and generated a tourism industry payroll of between \$275 and \$300 million. By contrast, the forest products industry contributed only \$565 million to the Alaskan economy. This created 3,185 jobs and produced an industry payroll of \$140 million.

#311

After reviewing HB 121, AWRTA has no objection to the overall idea of providing for negotiated salvage timber sales where there is a demonstrated economic and scientific basis for salvaging timber and mitigating outbreaks of tree diseases or insect infestation. It must be provided, however, that these timber sales be subject to the requirements of public notice and allowance for public comment and involvement in the decision-making process, and be consistent with overall land use plans and the provisions of the Forest Practices Act. Decision-making on timber salvage sales should consider other beneficial and competing uses in the area as well as the impacts of creating access to the salvage areas.

We specifically object to the proposed language under AS38.05.117(b) to exempt negotiated salvage sales from AS38.05.115. Instead, we suggest the following:

Add a new subsection applicable only to negotiated salvage sales of over 500MB that reads the same as the present AS38.05.115(a), except delete the "without advertisement" provision contained in the third sentence.

This new subsection would retain the language requiring the sale to be consistent with the sustained yield principle and be subject to preferences among other beneficial uses, but would require advertisement of salvage sales over 500MB.

We suggest that for negotiated salvage sales a cap on maximum volume and contract period be established by statute. Under the present language proposed HB121 there is no limit to the volume negotiable and a 25 year maximum is currently allowed by AS38.05.118(a).

The proposed language for AS38.05.117(a) would allow the commissioner to offer salvage timber sales in stands that will lose substantial ^{economic} value if not salvaged within two years. This suggests the term of these salvage contracts should not exceed two years, since after that the timber will then be of little value.

We object to the proposed ^{language} amendment of AS38.05.118(c) to include the addition of the phrase "or will exist within two years" in the first sentence. It is difficult enough to make resource decisions on existing conditions, and adding a hypothetical condition only weakens the decision. It is too speculative.

We add a footnote on regeneration: In most of the stands killed by bark beetle infestation, there already exists an understory of young, vigorous second growth of spruce that has survived the beetle outbreak or new seedlings produced by the outpouring of seed by the dying trees. (When trees are stressed they generally begin producing extra seed). Subsequent logging of the dead trees will destroy this already established second growth. Following this, it may be difficult for some stands to regenerate naturally due to seed trees being too distant. The only remaining alternative for regeneration would be hand planting of seedlings. This is an expensive, labor intensive undertaking and would require a significantly large budget, probably with help from the State, to accomplish.

On the silvicultural basis, it does not seem a good idea to extensively log these areas. From a tourism perspective, extensive clear-cutting combined with a slow regeneration could have a significant long-term economic impact on rural and highway tourism.

Thank you for the opportunity to comment. If you have questions or would like addition information, please feel free to contact us.

Tabitha Gregory
Alaska Rainforest Campaign
519 W. 8th Ave. 201
Anchorage, AK 99501

Post-It® Fax Note	7671	Date	2/3	# of pages	1
To	House Resources	From	Tabitha Gregory		
Co./Dept.		Co.	ACE		
Phone #		Phone #	274 3621		
Fax #	469-3793	Fax #			

Comments on HB 121, February 3, 1995

I am speaking in opposition to HB 121 today. I oppose the bill for several reasons.

First, I believe that this bill removes the multiple-use mandate for state forested land. As you know, Alaskans have many views of the best use for forest lands. It is far from unanimous that the highest value of trees—even dead or dying trees—is after they have been cut and hauled out of the forest. In many areas that are targeted by HB 121, trees prove much more valuable— aesthetically, ecologically, and economically—when they are an integral part of a forest system. It is unacceptable to unilaterally elevate the use of trees as timber over their importance for other things. This alone creates a single-use, not a multiple-use, management agenda for DNR.

By removing the 500,000bf size limit on salvage sales, this bill would effectively promote timber harvest on state lands on an uncontrollable scale. This bill makes "salvage sale" just another term for "come and get it".

⁰²³ Second, I believe this bill shuts people out of decision making processes. One of the most important aspects of forest management is public involvement. Currently, timber sales must be shown on the 5-year schedule for at least 2 years prior to being offered for sale. This provision is there so that people are aware of upcoming changes to their area's forests and can respond to decision makers. Often, important local knowledge is passed on to DNR foresters so that they can alter harvest and sale plans to better provide for all the people of Alaska—not just the timber industry.

Third, I do not believe that it is appropriate to direct the commissioner of DNR to predict the future in order to free up more timber sooner, and with no public oversight. This bill sets the stage for the commissioner to negotiate sales for forests that may, in actuality, not experience fire, disease, or insect infestation for a decade or longer. But, this bill allows DNR to use these conditions—natural conditions—as excuses to allow a greater cut on forests that are traditionally used for other things.

Although this bill asks the commissioner to negotiate timber contracts in an effort to head off possible high levels of future unemployment, there is certainly no provision for the very real threat to existing industries like tourism and fishing by this increased logging.

In summary, I oppose this bill because it creates single-use forests, removes meaningful public oversight, and directs the commissioner to predict the natural and economic future in order to open our forests to large-scale logging.



Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

Phone: 907-463-3366

Fax: 907-463-3312

Testimony on HB 121 before House Resource Committee February 3, 1995

Thank you Mr. Chair and members of the Committee. My name is Willy Dunne, I am a resident of the Kachemak Bay area near Homer. I am currently a volunteer with the Alaska Environmental Lobby, which is a coalition of 19 environmental groups from around the state.

HB 121 would allow the Department of Natural Resources to offer "salvage sales" of timber under certain conditions. Salvage sales could be offered as negotiated sales which would be exempt from AS 38.05.115 which currently limits such sales to no more than 500,000 board feet in one year.

Section 2 would give DNR the power to negotiate 25 year timber sales in areas where certain conditions exist or will exist within two years. These conditions would be modified to include timber which is affected or threatened with insects, disease or fire.

AEL supports the salvage sale of timber on land that will be converted to nonforest uses. However, we strongly oppose other provisions of HB 121 for the following reasons:

* The only consideration, when justifying salvage sales, would be the economic value of timber, while other economic values such as sport and subsistence hunting, fishing and trapping, outdoor recreation, and other forest products would be ignored.

* Many biologists and forest ecologists believe that forest insect epidemics are often self-regulating and can actually improve habitat for many types of wildlife. Written records indicate that bark beetle outbreaks in Alaska have occurred regularly over the past 70 years, (and new research is indicating that such outbreaks have occurred for 100's if not 1000's of years) without undue effects to overall forest health. However, forest health problems are often associated with fire suppression, poor logging practices, road building and seismic line activities. In other words, misdirected and/or sloppy human activities. As DNR has acknowledged, cutting down the forest does not solve forest health problems and in many cases, can make the problems worse. Even our state forester, Tom



Boutin, has written [*in memo 1/14/94 file no, 9-3185.5 re: beetle activity in Kachemak Bay*] "that forest insects and disease can be important factors in spruce ecosystems, often dramatically influencing the biological features that were part of the reason for establishing ... natural areas".

* Salvages sale provisions, as proposed would create a loophole allowing large scale, long term, negotiated timber sales to occur in areas where DNR claims that forest health problems exist. These sales would be exempt from the planning process required in other timber sales. The US Forest Service has abused their salvage sale rules extensively on National Forests for years. Recently, the Forest Service has decided to change it's past policy. Salvage sales will be restricted to **only** dead and down material. There will be no more sales where one dead tree is used to justify harvesting 50 acres of adjacent live trees. [*according to presentation to ADFG by USFS 2/14/94*] This illustrates the danger in using vague wording and giving broad latitude to administrators when instituting these types of provisions.

*Under current Title 38 regulations, DNR can complete the timber sale process in less than 2 years. Salvage sales should be unnecessary if DNR efficiently and competently planned sales under existing law. DNR also has the authority to carry out emergency timber sales in order to respond to salvage needs. AAC 71.010 specifically addresses the loss of economic value of timber as a reason for allowing salvage sales. Salvage sales are already permitted under existing law.

* These provisions would give the Commissioner of DNR extraordinary latitude in determining and even predicting forest health, employment levels and timber values while removing from the decision-making process, the wisdom of local residents and the concerns of the public which owns and uses these resources.

We would respectfully ask the committee to add the following amendments to HB 121:

1. Add language acknowledging all economic values of our state forest lands.
2. Specify that salvage sales will only apply to dead and down timber.
3. Remove the phrase "or will exist within two years" from section 2 .
4. Place a two year time limit on negotiated salvage sales.

In closing, I would like to read to you a passage from a government survey of an Alaska forest: " [Spruce bark] beetles have killed a large number of trees. It is estimated that ... 60% of the spruce is already dead or dying. In a few years green spruce will be hard to obtain, and travel will be made more difficult by

windfalls... The danger of forest fires will be increased. The beetles are not confining themselves to one particular area, but are threatening to devastate the entire [region] of spruce." This survey may sound like a survey conducted in 1995 on the Kenai Peninsula, but in fact is from a 1933 survey in the Susitna Valley.(1935 Capps and Tuck, USDI Geo. Surv. Bull. 864-B) Today, not only is this region considered valuable timber land, but the exact area of the survey has been designated as a State Critical Habitat Area due to its exceptional fish and wildlife habitats which provide excellent opportunities for hunting, trapping and other outdoor recreation. Hopefully, we can take the time to look at and learn from the history of our forests.

Thank you for the opportunity to testify this morning.

TESTIMONY BY

K.A. Swiger, Executive Director, Stand UP!

BEFORE

State House Resources Committee on House Bill No. 121, Salvage Timber Sales

Ketchikan, Alaska

February 3, 1995

Mr. Chairman and members of the Committee. My name is K.A. Swiger. I am the Executive Director of Stand UP!, an organization advocating sustainable jobs and responsible resource development. My testimony reflects the voice of community people throughout the region dedicated to maintaining a stable economy in Southeast Alaska

In terms of sound resource management, House Bill 121 is a win-win proposition. It provides for people and economy as well as the value of forest health. The avenue providing the Commissioner of DNR the power to negotiate timber sales in diseased or damaged forest areas within two years is highly acceptable. Stand UP! believes this will enable foresters to act in a timely manner to arrest bug infestation or rot due to fire or blow down, as well as adding value to a resource otherwise wasted.

State land in the Haines valley for example, currently contains 14,000 acres of forest killed by beetle infestation. Haines is an area of high unemployment, has an underutilized timber manufacturing capacity, and has timber that is losing substantial economic value due to insects. After years of rampant bug kill, there are currently two salvage sales underway. However, the level of salvage is so small, there is no chance of curbing the infestation, and therefore no real help to restoring the forest. Haines would be a likely benefactor from the passage of House Bill 121, by perhaps increased sales which will ultimately benefit the forest and the people.

Damaged trees are already exempt from sustained yield management, AND FOR GOOD REASON. The entire stand must be harvested if the disease is going to be brought under control. That is why the size of harvest of a damaged stand should not be a matter of law, but rather a matter of silviculture.

We do not believe the public process is jeopardized by this bill. Preparation, planning, following guidelines and public comment are still very much a part of the sale offering process.

Stand UP! encourages the House Resources Committee to adopt House Bill 121 and push for its passage.

Thank you.



Alaska State Legislature

Please enter into the record my testimony to the HOUSE RESOURCES COMMITTEE
committee name

committee on HB 121, dated 2/2/94.
bill/subject

I'M OPPOSED TO HB 121 BECAUSE

- ① IT WOULD CREATE A MAZE OF ROAD
- ② IT COULD HINDER THE LONG TERM HEALTH OF THE FOREST RECOVERY.
- ③ IT WOULD CREATE A MUCH LARGER LOGGING INDUSTRY THAN ALL READY EXISTS.
- ④

Signed: TERRY HERMACH
Testifier

Representing (Optional)
BOX 2493 VALDEZ AK
 Address
835 5473
 Phone No.

Post-It™ brand fax transmittal memo 7671		# of pages >
To <u>House Resources</u>	From <u>Valdez LO</u>	
Co.	Co. <u>410 # 50149</u>	

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Statement in Support of HB 121
Presented by Ernesta Ballard
before the
House Resources Committee
February 3, 1995

Good morning Mr. Chairman. My name is Ernesta Ballard. I live at 705 Main St. in Ketchikan.

I am speaking in support of House Bill 121. I am pleased to see that the Legislature continues to take initiative to increase opportunities for commercial access to state timber. This Bill represents the kind of common sense and practicality that are the hallmark of economic development. The provisions of HB 121 are good for the state, and good for the timber industry, too.

HB 121 is good for the state because it allows the Department of Natural Resources to respond to disease, insect infestation and fire in state forests within the short window of economic opportunity before all commercial value is lost. The normal, five year, planning cycle prescribed by Title 38 doesn't work when such natural disasters occur. I believe that the public interest is adequately protected in the new language of HB 121 which provides for a "best interest" determination by the Commissioner. This process accommodates the need for public comment and interagency coordination.

HB 121 is also good for the state because it provides the Commissioner the opportunity to negotiate a timber sale when the stand is diseased, infested or damaged by fire. The negotiation procedures of section 05.118 of title 38 provide real advantages to the state in the volatile timber market. A negotiated sale can proceed far more quickly than a sale conducted with competitive bid. The state also benefits from the exemption offered in HB 121 from the sales restrictions listed in 05.115. Diseased and damaged timber must be moved quickly. The state has challenge enough in securing a willing and qualified buyer for this special timber.

154 HB 121 is further good for the people of the state. Sale of damaged timber provides revenue to support other state programs. The excellent record of the Department of Natural Resources in sale management, reforestation, and multiple use of forested lands attests to their qualifications to manage these sales. It is important to note here that these sales of damaged timber will be categorized as "Salvage Sales". Despite the fact that the Commissioner has discretion under state law in managing salvage sales, DNR has a long standing policy to require reforestation.

Finally, HB 121 is good for the timber industry. It potentially offers thousands of board feet of timber for harvest and production. Alaska is home to a large and

skilled workforce with expertise and experience in every aspect of this industry including timber cruisers, engineers, heavy equipment operators, cutters, tug boat operators, and sales representatives. These people have made their homes here, invested in their businesses, and are raising their families in Alaska.

Thank you for the opportunity to comment on HB 121. I support its passage into law.

END



Northern Alaska Environmental Center

218 DRIVEWAY
FAIRBANKS, ALASKA 99701
(907) 452-5021

February 3, 1995

Testimony to House Resources Committee *on HB 121*

Dan Ritzman
Northern Alaska Environmental Center

Thank you for the opportunity to comment on HB 121. I am opposed to HB 121. As it is written HB 121 would exempt salvage timber sales from existing size limits, public review and reforestation provisions of the state law. The provisions in HB 121 seem to give the Commissioner of DNR extraordinary latitude in predicting forest health. As I read the Bill, any tree that could lose economic value due to insect or fire could be salvaged (without any public comment) -- the entire forest would fall into this category.

Under current Title 38 language DNR can complete the timber sale process in less than 2 years. HB 121 salvage sales would be unnecessary if DNR efficiently and competently planned sales under existing laws.

Finally I would like to comment on the forest health issue and the need for salvage sales. There are currently a number of people and organizations crying out for the need to save the forest from insect, and the need for logging to do this.

If I was concerned with a sound coming from my car's engine and I wanted to know if this was normal I would check with a mechanic rather than a car dealer. Both of these people presumably know about cars, but the mechanic is concerned with how a car runs and the dealer has an economic interest in convincing me that I need a new car.

The same can be said of the people and organizations pushing for salvage. I do not find it surprising that these groups, who have an economic interest in cutting trees, are promoting large scale logging as a response to spruce bark beetles and suggesting that a logged forest is a healthy forest.

But if you check with biologists and ecologists who are concerned with how wild forests function and do not have an economic interest in logging, you will find many believe insect epidemics are important to the long-term health of a naturally functioning forest. Where fires are infrequent, as on the Kenai, insect epidemics are believed to be nature's way of recycling the older trees to make way for new forest. Along the way, the insects provide food for a



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Dan Ritzman cont.

variety of birds and the dead trees provide valuable habitat for wildlife before enriching the soil for the new forest that will follow.

Before we succumb to the sales pitch offered by groups with an interest in logging, Alaskans need to do some more research and get other opinions from trusted professionals. Do not assume that a logged forest is a healthier forest or that beetle killed trees increase the fire hazard (State foresters say they do not). Find out what effects logging will have on fisheries and tourism. Find out why logging has actually increased unwanted grass and why reforestation efforts have had poor results. In short, we need to be sure we fully understand what the salesmen are trying to sell before we buy their line.

Thank you again for the opportunity to speak.

I would like to add to my oral testimony. I would like to comment on the repeated use of the word "underutilized" by supporters of HB 121. They seem to be speaking from a purely selfish angle. The forest is only underutilized to them because they can not cut it as fast as they want, but it is not underutilized to other people who obtain other values from a standing functioning forest, nor is it underutilized by all of the critters, fellow inhabitants of earth, who utilize the forest every day to sustain their life.



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To House Resources	From Dan Ritzman
Co. Committee	Co. NAEL
Dept.	Phone #
Fax # 465-3793	Fax #

Eric Muench
P.O.Box 6811
Ketchikan, Alaska 99901
(907) 225-5372

February 6, 1995

TO: COMMITTEE CONSIDERING HOUSE BILL NO. 121

Alaska State Legislature
Juneau, Alaska 99801

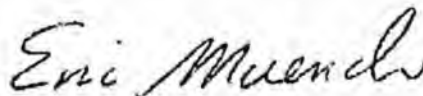
House Bill 121 would give the Department of Natural Resources the necessary flexibility to deal with insect outbreaks and control timber value loss.

A 5 to 10 year wait could make timber harvesting impractical due to extreme falldown of log values. A deterioration begins as soon as a tree dies, and continues until the wood has value only for pulp or firewood. Meanwhile the dead and down trees provide a breeding place for further infestation of healthy trees.

In my 30 plus years in Alaska forestry I have seen several instances where salvage delay has removed the option altogether, lowered revenue, or made some form of subsidy necessary either by extremely low stumpage or by having to "sweeten the pot" with salvage-priced healthy green timber thrown in.

The "no-treatment, no-salvage, nature takes its course" option is not justified outside of dedicated wilderness areas. There is already abundant acreage of that. The State needs to be able to gain some revenue to offset expenses connected with outbreaks, and local business should be able to stem the losses while making a profit and providing jobs. H.B. ¹²¹ is both good forest practice and good economics.

Please pass H.B. 121 with a favorable recommendation. Thank you for your attention.



Eric Muench

TESTIMONY BY**Stuart Swiger, Private Citizen, Ketchikan, AK****BEFORE****State House Resources Committee on House Bill No. 121, Salvage Timber Sales****Ketchikan, Alaska****February 6, 1995**

Mr. Chairman and members of the Committee. My name is Stuart Swiger. I am a private citizen, and I support House Bill 121.

Multiple use management of our forests does NOT constitute "no-management". A forest damaged by disease, bug kill or fire is of little multiple use. The wildlife are impacted, the wood resource is impacted, the fish are impacted, and the scenery is impacted. It takes a lot of explaining to outside visitors why we are not doing something about our damaged forests.

Allowing value to be obtained from an otherwise unused resource is, in my mind, the equivalent of value added, a new buzz word I hear often. House Bill 121 will enable resource utilization before it is completely wasted.

Please pass this bill. It is good for our state.

Thank you.

TESTIMONY BY**Rick Ludwigsen, Private Businessman, Ketchikan, AK****BEFORE****State House Resources Committee on House Bill No. 121, Salvage Timber Sales****Ketchikan, Alaska****February 6, 1995**

Mr. Chairman and members of the Committee. My name is Rick Ludwigsen. I am a Ketchikan area businessman, and I wish to go on record supporting House Bill 121.

Bad situations come and go in our lifetimes. We are taught to take advantage of bad situations and turn them in to winners. I consider forests damaged by disease, fire and bug kill to be bad situations. In these cases they are losing forests for all creatures and plants, (except the bugs) It then is only rational to allow harvest of these forests in a timely manner in order to maximize the value from a bad situation. The best management program is where citizens can gain productive economic activity while improving the health of the forest at the same time - including the health of the forest for wildlife.

I have taken time away from my business to come before you today, and I urge you to listen to the people who have a serious stake in Alaska. Pass House Bill 121. It is a winner.

TESTIMONY BY**Shawn Richardson, Private Citizen, Ketchikan, AK****BEFORE****State House Resources Committee on House Bill No. 121, Salvage Timber Sales****Ketchikan, Alaska****February 6, 1995**

Mr. Chairman and members of the Committee. My name is Shawn Richardson. I am a life-long resident of Ketchikan.

I wish to go on record before you today in support of House Bill 121. I am concerned about the economic stability throughout the southeast region, and admire the efforts of the creators of this bill to provide benefit for people and forest health.

While damaged state forests to my knowledge are not plentiful in Southern Southeast, it is of major concern to the overall well being of Alaska's State Forests. Brief research concludes that one million forested acres are under insect infestation now -- and this amount is growing at increasing rate. It has been estimated 20 million Alaskan trees were killed by the beetle last year.

I am a sportsman and an outdoorsman, and the effect these massive damaged areas have on wildlife, fish habitat, as well as scenic considerations is immense. I support timely access to harvest these areas as a way to improve overall environmental health. It is high time the state take the initiative to promote economy and much needed employment.

I urge the committee to support House Bill 121 and see its passage into law.

Thank you.



ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE Resources
COMMITTEE NAME

COMMITTEE ON HB 121 DATED 2-6-95
BILL/SUBJECT

I am concerned about HB 121 because it exempts public process, timber sale size limits, and reforestation requirements from the timber sale process. I don't care whether the sale is salvage or not. This definition of what is or what will be salvage is too vague and open to interpretation; it gives the state way too much license to go into any area they desire and do with it whatever they want. The ^{current} public process timber sale size limits, and reforestation requirements are important and entirely reasonable. Do not pass HB 121.

In addition, I skipped work, drove to town to testify for this bill and before I or anyone else in Fairbanks had a chance to express his/her concerns the committee closed discussions and passed the bill. This treatment of the public is just another example of ^{the legislature} not respecting the public's concerns. When ~~is~~ ^{is} our legislature going to start listening to us?

SIGNED Marie Becker
TESTIFIER

REPRESENTING (OPTIONAL)
479-45810
ADDRESS/PHONE NUMBER



**Alaska
Wilderness
Recreation &
Tourism
Association**

Sustainable recreation and tourism for a quality future

**P.O. Box 1868
Valdez, AK 99686
Phone: 907-835-4300
Fax: 907.835.5679**

February 3, 1995

To: Reps: Williams, Grussendorf, Elton, Robinson, Mackie, Navarre, Brown, Finkelstein, Davis, Davies, Brice, Kubina, Nicholia, MacLeac, Foster, Ivan, Moses
From: Nancy R. Lethcoe, President

RE: HB 121: Salvage Timber Sales

Dear Alaskan Democratic Representatives:

I am very concerned about the handling of HB 121 by the House Majority. It appears that due process has not been followed: 1) the HB 121 was scheduled to only one committee — that of its sponsor; 2) only two hours of public testimony via teleconference were scheduled which limited the comment period to 3 minutes — as a trade organization representing the economic interests of tourism businesses likely to be adversely affected by this bill, this was barely enough time to mention specific sections of the bill we would like to see changed; no time was available for explaining why or presenting our point of view on the economic consequences; 3) although we faxed our full testimony to the committee chairs on Friday shortly after the teleconference, our testimony was not included in the House Resource Committee's legislative packet — only testimony from the bill's supporters was included; 4) we requested that the Monday (Feb. 6) teleconference include time for public comment — this was denied; later Rep. Davies aide, Shannon McCarthy, said she was told no one asked to testify.

I do not know what we as a trade organization can do, but we are very unhappy with the manner in which this legislation is being pushed through the legislature without allowing adequate time to determine if the bill is economically sound and in the State's best interest. It is early in the legislative session; there are no time constraints on passing bills; and there is plenty of time for representatives to listen to the public and try to become informed about potential problems in legislation which are easier to fix now than later. Although we would support some type of salvage timber bill, this bill needs to be amended so that it does not cause a loss of businesses and jobs in the tourism industry.

AWRTA, P.O. Box 1353, Valdez, AK 99686

p. 2

For your information, I am attaching the Alaska Wilderness Recreation and Tourism Association's comments which should have been included in the legislative packet. We have subsequently seen the amendments proposed by Rep. John Davies and support those amendments. In addition, we have since learned that the bill not only authorizes salvage sales to allow the forest products industry to utilize forests damaged by insect infestations but it also allows salvage sales to aid local unemployment. AWRTA questions the economic wisdom of conducting timber sales to promote short-term local employment in the timber industry (there is no guarantee in the bill that local people will be hired) at the expense of long-term jobs in the tourism industry.

Testimony sent to the committee co-chairs but not included in the legislative packet:

The Alaska Wilderness Recreation and Tourism Association is a group representing Alaska's tourism industry with over 100 business members ranging from wilderness lodges, air taxi operators and rafting, hunting and fishing guides to private and guided recreationalists, the outdoor equipment stores that supply them and outdoor education and agency professionals.

AWRTA promotes continuing conservation and appropriate use of natural resources, professionalism and high standards in wilderness dependent tourism, guiding and outdoor recreation, and low impact sustainable wilderness recreation and tourism.

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the end of the century will come from active, adventurous, nature and culture-related travel, falling within the definition of ecotourism.

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After reviewing HB 121, AWRTA has no objection to the overall idea of providing for negotiated salvage timber sales where there is a demonstrated economic and scientific basis for salvaging timber and mitigating outbreaks of tree diseases or insect infestation. It must be provided, however, that these timber sales be subject to the requirements of public notice and allowance for public comment and involvement in the decision-making process, and be consistent with overall land use plans and the provisions of the Forest Practices Act. Decision-making on timber salvage sales should consider other beneficial and competing uses in the area as well as the impacts of creating access to the salvage areas.

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Add a new subsection applicable only to negotiated salvage sales of over 500MB that reads the same as the present AS38.05.115(a), except delete the "without advertisement" provision contained in the third sentence.

This new subsection would retain the language requiring the sale to be consistent with the sustained yield principle and be subject to preferences among other beneficial uses, but would require advertisement of salvage sales over 500MB.

We suggest that for negotiated salvage sales a cap on maximum volume and contract period be established by statute. Under the present language proposed HB121 there is no limit to the volume negotiable and a 25 year maximum is currently allowed by AS38.05.118(a).

The proposed language for AS38.05.117(a) would allow the commissioner to offer salvage timber sales in stands that will lose substantial value if not salvaged within two years. This suggests the term of these salvage contracts should not exceed two years, since after that the timber will then be of little value.

We object to the proposed amendment of AS38.05.118(c) to include the addition of the phrase "or will exist within two years" in the first sentence. It is difficult enough to make resource decisions on existing conditions, and adding a hypothetical condition only weakens the decision. It is too speculative.

We add a footnote on regeneration: In most of the stands killed by bark beetle infestation, there already exists an understory of young, vigorous second growth of spruce that has survived the beetle outbreak or new seedlings produced by the outpouring of seed by the dying trees. (When trees are stressed they generally begin producing extra seed). Subsequent logging of the dead trees will destroy this already established second growth. Following this, it may be difficult for some stands to regenerate naturally due to seed trees being too distant. The only remaining alternative for regeneration would be hand planting of seedlings. This is an expensive, labor intensive undertaking and would require a significantly large budget, probably with help from the State, to accomplish.

On the silvicultural basis, it does not seem a good idea to extensively log these areas. From a tourism perspective, extensive clear-cutting combined with a slow regeneration could have a significant long-term economic impact on rural and highway tourism.

Thank you for the opportunity to comment. If you have questions or would like addition information, please feel free to contact us.

to Rep. Williams - Natural Resources Com

Good Morning Representatives in Juneau.from an unseasonably warm plus 38 degrees Fairbanks.

On the way in this morning, my car seemed almost giddy with its new found power in the warm weather. It wanted to go faster and faster, yet the roads were deceptively icy, and slippery and potentially dangerous. I tell you this not as a weather report, but as an analogy of where we will be going if you pass HB 121. This piece of legislation would accelerate the power to go someplace fast, but the road ahead would be slippery, deceptive and potentially dangerous.

I oppose HB121 for 3 basic reasons:

1. Over the past 2-3 years, I have attended nearly all the meetings, forums, workshops and public hearings on forestry. I have heard the people say they are serious about being part of the decision making process and they are not going to go away. In the last few months Division of Forestry has begun to really listen to the people in their review of the 5 year plan for the Tanana Valley State Forest. I CONGRATULATE PAUL MAKI, the forester in charge. To suddenly reverse this direction, by giving one person the Commissioner of Natural Resources, the power to sell unlimited sized sales, over a 25 year contract, without the oversight of the public is a U-turn that is unacceptable. It should be against the law.

2. After speaking with ⁶ different professional foresters last week, I learned some interesting things. Only 1 of them thought we had a serious insect problem in the Interior, with the exception of an outbreak on the lower Yukon that is beginning to decrease and an outbreak in the Tok region that is beginning to build. In the Fairbanks area some insect activity is found in areas that have been logged recently. Standard Creek and Cache Creek for example. In the Cache Creek cuts, thousands of cords of green trees were decked up and left along side of the road for 4 years. Could it be sloppy logging methods that ~~have~~ promote those buildups in insect populations?

3. I also learned that the white spruce component of boreal forest is quite small. For the forest as a whole, white spruce categorized as saw timber. Those older, larger, most valued commercially trees, account for only 1.4%. In the mixed spruce/hardwood stands, another .5%. With the addition of the polesized spruce we can total only 8-12% of the forest as white spruce.

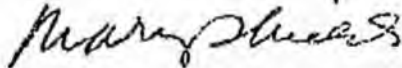
These old trees are also the best targets for insects infestation, because they have lost their vigor to defend themselves. If these individual trees were selectively cut, with the remaining forest around them left in tact, the white spruce forest would continue. But I see no provision for selective cutting in this bill. In deed, if these older islands of forest are cut in emergency salvage sales, we could lose the very forest that represents the

than just the \$\$ it could bring if cut.

A forest is more than just a number of tree trunks. Here in the boreal forest live more than 1000 different vascular plants, with untold species of lichen, mosses, algae and fungi, many of which are essential for healthy tree growth. 36 different mammals live here, over 150 different birds and 16 different kinds of fish. When a section of forest is cut, whether it be called a salvage sale, or as a scheduled sale, this should be counted in our total harvest. If we take doubly, our forest will not sustain us in the future.

I close with a favorite quote from HELEN HAMMOND, A B.C. FOREST ECOLOGIST.
"THE FOREST SUSTAINS US, WE DO NOT SUSTAIN THE FOREST."

So good luck on your legislative road for 1995. Drive carefully, YOU HAVE THE
...FUTURE OF ALASKA RIDING IN YOUR BACKSEAT.



Mary Shields member of AWARTA and Alaska Boreal Forest Council
Box 80961 Fairbanks 99708

455-6469

TESTIMONY ON HB 121
House Natural Resources Committee
February 3, 1995

Mr. Chairman, my name is Ted Smith. I am a consulting forester residing in Willow, Alaska. I retired as Director of the Alaska Division of Forestry in 1982. Since then I have served on several State boards or commissions as well as the Mat-Su Borough Assembly.

I support the passage of HB 121. It fills a void in state law that has become very apparent in our attempts to deal with the spruce bark beetle epidemic. The key points of the bill are the exemption from the 2 year notice requirement at line 5 and the exemption from the volume limitation at lines 10 and 11, all on page 1. The requirement for the 2 year notice only permits a bad situation to become worse as time passes. The volume limitation means that many salvage sales must be offered competitively. The procedural requirements for a competitive sale add at least 6 months and a substantial cost to the sale. The primary reason for a salvage sale is to prevent waste, and delay only increases the amount of waste. As is, the bill would provide a much needed tool for the state's forest managers, but I believe it could be improved by a few changes.

First, windthrow, flood, and erosion may also cause loss of timber value and should be added to insects, disease, fire, and conversion of use as reasons for a salvage sale. An alternative would be to provide a separate section for definition of "salvage sale" with concurrent deletions in Section 1.

Second, the language added on page 2 at line 4 seems to unduly restrict the conditions under which the special negotiated sale pursuant to AS 38.05.18 may be offered. The added language would seem to require that the underutilized volume of allowable cut be limited to that which is a proper subject for a salvage sale. It was the intent when this was adopted that the combination of three elements - high unemployment, excess manufacturing capacity, and underutilized timber stands - would be sufficient to authorize the negotiated sale. Since Section 1 of the bill removes the volume restrictions on a salvage sale without requiring the listed conditions, the new language should not be needed.

That language does raise the question of how salvage sales relate to the allowable cut. Usual practice is to include the salvage volume in the allowable cut and if it exceeds the annual allowable cut, to allocate it to subsequent years. A conversion of use cut can be counted against that year's allowable cut but it should also reduce subsequent years allowable cut since the land area is removed from timber production. This may not be proper subject matter for legislation in this title which pertains to state owned lands since it is (I believe) already covered by regulations and/or procedures. However, although the Forest

Practices Act (which applies to both public and private lands) authorizes in AS 41.17.060(a)(6) regulations dealing with salvage logging, no special treatment for salvage sales has been adopted. It might be worthwhile to amend the Forest Practices Act to provide some special rules for salvage sales on private lands.

I regret that I am unable to attend the teleconference, but I am available to answer questions by phone at (907) 495-6637 or by letter to P.O.Box 11026, Willow, AK. 99688.

I appreciate the opportunity to comment.

HB

128

HOUSE RESOURCES COMMITTEE
Roll Call and Members' Bill Votes

* (indicates first public hearing)

Room 124, Capitol Bldg.

Mon., Wed, Fri.

Date: 3-1-95

Tape# 95-26, 95-27 Joint

Time: 8:10 am/pm Time Adjourned: _____ am/pm

ROLL CALL:	PRES	ABS	TIME	AR		
Rep. Joe Green	✓					
Rep. Bill Williams	✓					
Rep. Scott Ogan			<u>8:21</u>			
Rep. Alan Austerman	✓					
Rep. Ramona Barnes						
Rep. John Davies	✓					
Rep. Pete Kott	✓					
Rep. Eileen MacLean			<u>8:22</u>			
Rep. Irene Nicholia	✓					

Other Legislators Present _____

AGENDA:
Bill No.

Short Title

Action Taken

<u>HB107</u>	<u>Restricted Limited Entry Permits</u>	<u>CSHB107(FISH) Out</u>
<u>HB128</u>	<u>Waste Disposal Permit Exemption</u>	<u>CS55HB128(RES) Out</u>
<u>HB170</u>	<u>Improve Mt. of Carmel</u>	<u>Not heard</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

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Copies of minutes listed below were originally included in this file. The minutes are available on the legislative computer database. In order to save space copies of minutes have not been left in the files.

Mary Pagenkopf

*House Resources
3-1-95 8:10am
Tape #95-26
HB128*

03/01/95

LEGISLATIVE TELECONFERENCE NETWORK SYSTEM

LTN1150

08:37:16

PARTICIPANT LIST (ALL PARTICIPANTS)

BY:PSG

TCN:50299

SCHEDULED FOR:03/01/95 08:00 TO 10:00

FOR:PSG

PUBLIC HEARING

HOUSE RESOURCES

Ken Medsen

918 3687

LOCATION: PETERSBURG

HB 107	MR	TERRY <i>Box 496</i>	HASBROUCK	<i>99833 772-3154</i>	TESTIFY
HB 107	MRS.	BETH <i>262</i>	FLOR ✓	<i>3829</i>	TESTIFY
HB 107	MR.	SCOTT <i>1575</i>	CROSS ✓	1112	TESTIFY
HB 107	MR.	ANDY <i>1432</i>	WRIGHT ✓	<i>772-9233</i>	TESTIFY
HB 107	MR.	MARK <i>457</i>	JENSEN ✓	<i>772-3316</i>	TESTIFY
HB 107	MR.	LADD <i>935</i>	NORHEIM ✓	<i>3671</i>	TESTIFY
HB 107	MR.	DAVE <i>148</i>	BEEBE ✓	<i>3357</i>	TESTIFY
HB 107	MRS.	SHERRI <i>1312</i>	WOHLHUETER ✓	<i>9248</i>	TESTIFY
HB 107	MR.	ROCKY <i>1373</i>	LITTLETON ✓	<i>4521</i>	TESTIFY
HB 107	MRS.	HEIDI <i>527</i>	LYONS ✓	<i>3714</i>	TESTIFY
HB 107	MRS	LIV <i>1335</i>	EWING ✓	<i>3644</i>	TESTIFY
HB 107	MR.	MICHAEL <i>1288</i>	SHELDON ✓	<i>3746</i>	TESTIFY
HB 107	MR.	DENNIS <i>1083</i>	O NEAL ✓	<i>3982</i>	TESTIFY
HB 107	MRS.	GWYNNE <i>1224</i>	SHORT ✓	<i>3585</i>	TESTIFY

Theo Francis

938 9393

HOUSE RESOURCES COMMITTEE



Alaska State Legislature
House of Representatives

DATE: 2/28/95

PLACE: ROOM 124

SUBJECT OF MEETING:
HB 107 - Restricted Limited Entry Permits
HB 128 - Waste Disposal Permit Description
HB 170 - Antenna Management of Game

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?	WHAT SUBJECT/ WHICH BILL?
✓ Daena Henkins	ADEC	410 Willoughby	99801		465-522	Y (N)	HB 128
✓ Bill Flor	SEDCA	Box 262 Pag	99832			(Y) N	HB 107
✓ Neil MacKinnon	MINORALS COMMISSIONS	1114 GLACIER AVE JUNEAU	99801		5PO 1259	(Y) N	HB 128
✓ David Johnston	AOGCC	3001 Porcupine Dr Anch.	99501		279-1433	(Y) N	HB 128
✓ Frank Homan	CFEC	8800 CLACIER HWY	99801		789-6160	(Y) N	HB 107
✓ Patricia Berg	ARCO	P.O. Box 100360 Anch	99510		265 6878	(Y) N	HB 128
✓ Molly Sherman	AEL	PO Box 22151 JUNEAU	99802		463 3366	(Y) N	HB 128
						Y N	
						Y N	
						Y N	
						Y N	

HOUSE RESOURCES COMMITTEE



Alaska State Legislature
House of Representatives

DATE: 2/28/95

PLACE: ROOM 124

SUBJECT OF MEETING:

HB 107
HB 128
HB 170

NAME	REPRESENTING	BUSINESS/PERSONAL MAILING ADDRESS	ZIP	(H) PHONE	(W) PHONE	DO YOU WANT TO TESTIFY?		WHAT SUBJECT/ WHICH BILL?
Troy Reinhart	KPC	Po Box 6600, K/V	99901	-	225 2151	<input checked="" type="radio"/>	<input type="radio"/>	HB 128
						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	
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						<input type="radio"/>	<input type="radio"/>	
						<input type="radio"/>	<input type="radio"/>	

AMENDMENT

OFFERED IN THE HOUSE

TO: Work Draft CSSH B 128(RES), "R" version

1 Page 2, lines 11 - 12:

2 Delete "the disposal, in the annular space of an oil or gas well, of drilling mud,
3 cuttings, and nonhazardous drilling operation wastes:"

4 Insert "the disposal of drilling mud, cuttings, and nonhazardous drilling operation
5 wastes in the annular space of an oil or gas well or in the annular space of a water well
6 associated with oil or gas exploration and production:"

7 Page 2, line 19:

8 Delete "an oil or gas"

9 Insert "a"

9-LS0514R
Chenoweth
2/23/95

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 128(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES WILLIAMS, Kott, Toohey, *Green, Kelly*

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the disposal of wastes; giving the Alaska Oil and Gas
2 Conservation Commission authority to regulate disposal in the annular space of an
3 oil or gas well of drilling mud, cuttings, and nonhazardous drilling operation wastes,
4 and exempting the disposal of those wastes from the requirement of a waste disposal
5 permit issued by the Department of Environmental Conservation; and establishing an
6 exemption from the requirement of obtaining a waste disposal permit from the
7 Department of Environmental Conservation for certain activities that yield solid and
8 liquid waste material discharges and cooling water discharges."

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

10 * Section 1. AS 31.05.030(e) is amended to read:

11 (e) The commission may regulate

12 (1) ~~(.)~~ for conservation purposes

1 (A) [(1)] the drilling, producing, and plugging of wells;

2 (B) [(2)] the shooting and chemical treatment of wells;

3 (C) [(3)] the spacing of wells;

4 (D) [(4)] the disposal of salt water, nonpotable water, and oil field

5 wastes:

6 (E) [(5)] the contamination or waste of underground water;

7 (F) [(6)] the quantity and rate of the production of oil and gas

8 from a well or property; this authority shall also apply to a well or property in a

9 voluntary cooperative or unit plan of development or operation entered into in

10 accordance with AS 38.05.180(p);

11 (2) the disposal, in the annular space of an oil or gas well, of drilling
 12 mud, cuttings, and nonhazardous drilling operation wastes; in this paragraph, a
 13 "nonhazardous drilling operation waste" means a waste, other than a hazardous
 14 waste identified by the Environmental Protection Agency in 40 C.F.R., Part 261, its
 15 regulations identifying and listing hazardous wastes, associated with the act of
 16 drilling an oil or gas well for exploratory or production purposes.

17 * Sec. 2. AS 46.03.100(d) is amended to read:

18 (d) This section does not apply to

19 (1) the disposal, in the annular space of an oil or gas well, of drilling
 20 mud, cuttings, and nonhazardous drilling operation wastes regulated under
 21 AS 31.05.030(e)(2); or

22 (2) injection projects permitted under AS 31.05.030(h).

23 * Sec. 3. AS 46.03.100 is amended by adding a new subsection to read:

24 (f) Except as to discharges arising out of exploration and development drilling
 25 for oil and gas resources, this section does not apply to

26 (1) discharges of solid or liquid waste material or water discharges that
 27 will arise from

28 (A) the following activities if the discharge is incidental to the
 29 activity, the activity is carried out in a manner consistent with established industry
 30 procedures, and the activity does not produce a discharge from a point source, as
 31 that term is defined in regulations adopted under this chapter, directly into any

1 surface water of the state:

2 (i) mineral drilling, trenching, ditching, and similar
3 activities;

4 (ii) landscaping;

5 (iii) water well drilling, geophysical drilling, or coal bed
6 methane drilling;

7 (B) drilling, ditching, trenching, and similar activities associated
8 with facility construction and maintenance or with road or other transportation
9 facility construction and maintenance if the discharge is incidental to the drilling,
10 ditching, trenching, or similar activity, the drilling, ditching, trenching, or similar
11 activity is carried out in a manner consistent with established industry procedures,
12 and the drilling, ditching, trenching, or similar activity does not produce a
13 discharge from a point source, as that term is defined in regulations adopted under
14 this chapter, directly into any surface water of the state; however, the exemption
15 provided under this subparagraph does not relieve a person from obtaining a
16 permit under (a) of this section if the drilling, ditching, trenching, or similar
17 activity will involve the removal of the groundwater, stormwater, or wastewater
18 runoff that has accumulated and is present at an excavation site for facility, road,
19 or other transportation construction or maintenance; or

20 (C) bilge pumping, unless the bilge product pumped may be
21 expected to yield an oily sludge, emulsion, or sheen on the surface of any water
22 of the state; or

23 (2) cooling water discharges from a boat or vessel into any surface water
24 of the state.

HOUSE COMMITTEE REPORT

(9)

Date Referred: February 8, 1995

FURTHER REFERRALS:

Date of Committee Action: 3/1/95

The RESOURCES Committee considered:

SSHB 128

SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 128

WASTE DISPOSAL PERMIT EXEMPTION

"An Act establishing an exemption to the requirement of obtaining a waste disposal permit for certain activities that yield water and waste material discharges ancillary to those activities."

recommends it be replaced with the following committee substitute CS SSHB 128 (RES) the same title a new title

additional referral to _____ Committee
 attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____

fiscal note(s) _____ fiscal note(s) _____

zero fiscal note(s) ADEC, ADFIS zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<u>Rene Michals</u>	Nichols			X	
<u>Eileen Maclean</u>	Maclean			X	
<u>John Davies</u>	Davies			X	
<u>Joseph Green</u>	Green	✓			
<u>W.K. Williams</u>	Williams	✓			
<u>Alan Austerman</u>	Austerman	✓			
<u>John Kott</u>	Kott	✓			
<u>Scott Ogden</u>	Ogden	✓			
		(5)		(3)	

CHAIR'S SIGNATURE W.K. Williams

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. CSSS HB 128 (RES)

Revision Date: 3/1/95 Dept. Affected: Fish and Game
 Title: Waste disposal permit exemption BRU: Habitat and Restoration
 Component: Habitat
 Sponsor: Rep. Williams
 Requester: House Resources COMPONENT SERIAL NO. 488

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 0.0

POSITIONS

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

This committee substitute better defines the scope of the exemptions. Most of the listed categories are covered by existing Corps of Engineers general or nationwide permits; others, such as roadside ditching could be addressed through an individual Corps of Engineers permit, if wetlands are involved. Not much is gained by keeping an essentially redundant ADEC permitting requirement. This committee substitute addresses the department's concerns.

Prepared by: Geron Bruce *Geron* Phone: 485-8143
 Division: Commissioner's Office Date: 3/1/95
 Approved by Commissioner: Frank De Date: 3.1.95
 Agency: _____

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Alaska State Legislature

HOUSE RESOURCES COMMITTEE

State Capitol
Juneau, Alaska 99801-1182
(907) 465-3715

MEMORANDUM

To: Resources Committee members

From: Jack Phelps *JLP*
Committee staff

Date: February 23, 1995

Re: Draft CS SSHB128(RES), version R

Attached is the new draft CS. The principal change is in Section 1 of the bill on page 2, line 14 where we have substituted the federal definition of hazardous waste for the state statutory definition cited in the O version of the bill. The reason for this change, as discussed before committee last Monday, is that the AOGCC currently is required to regulate Underground Injection Control activities using this federal definition. It just would not make sense to require them to use a different standard for this particular regulatory activity.

I have attached a copy of AS 46.03.900. Paragraph (9) contains the definition of hazardous waste which was cited in the O draft of the CS.

ADEC currently leans on the federal definition in their own regulatory activities. Included in this packet is a copy of 18 AAC 62.020, ADEC regulations dealing with identification of hazardous waste. In this section of the code, the federal standard used in the proposed CS is adopted by reference as state regulation.

Finally, I have attached a copy of AS 29.35.590 in paragraph (8) of which we have precedent for Alaska statutes defining hazardous waste by citing 40 CFR 261.

The bill will be back up before the committee on Wednesday, March 1. If you have any questions about this draft, please give me a call @ 3715.

Revisor's notes. — Subsection (b) was formerly AS 46.04.090(b). Renumbered in 1991.

Sec. 46.03.900. Definitions. In this chapter

(1) "air contaminant" means dust, fumes, mist, smoke, other particulate matter, vapor, gas, odorous substances or a combination of these;

(2) "air pollution" means the presence in the outdoor atmosphere of one or more air contaminants in quantities and duration that tend to be injurious to human health or welfare, animal or plant life or property or would unreasonably interfere with the enjoyment of life or property;

(3) "atomic radiation" means all ionizing radiation;

(4) "broadcast chemicals" means chemical substances which are released into the air or onto land or water for the purpose of preventing, destroying, repelling, stimulating or retarding plant or animal life, or chemical substances released for meteorological control, oil spill control or fire control;

(5) "commissioner" means the commissioner of environmental conservation;

(6) "department" means the Department of Environmental Conservation;

(7) "dispose" has the meaning given "disposal" in 42 U.S.C. 6903(3);

(8) "facility" means any offshore or onshore structure, improvement, vessel, vehicle, land, enterprise, or endeavor;

(9) "hazardous waste" means a waste or combination of wastes that because of quantity, concentration, or physical, chemical, or infectious characteristics may

(A) cause, or significantly contribute to, an increase in mortality or an increase in serious irreversible or incapacitating reversible illness; or

(B) pose a substantial present or potential hazard to human health or the environment when improperly managed, treated, stored, transported, or disposed of;

(10) "hazardous waste reduction" means decreasing, avoiding, or eliminating wastes that are hazardous to human health or the environment through source reduction or recycling; the term does not include hazardous waste treatment or hazardous waste disposal;

(11) "industrial waste" means a liquid, gaseous, solid, or other waste substance or a combination of them resulting from process of industry, manufacturing trade or business, or from the development of natural resources; however, gravel, sand, mud, or earth taken from its original situs and put through sluice boxes, dredges, or other devices for the washing and recovery of the precious metal contained in them and redeposited in the same watershed from which it came is not industrial waste;

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- (A) ignitability;
- (B) corrosivity;
- (C) reactivity; or
- (D) toxicity;

(2) is specifically listed at 18 AAC 62.020 as being hazardous; or
 (3) is a mixture of a hazardous waste and a nonhazardous waste.
 (Eff. 7/11/87, Register 103)

Authority: AS 46.03.020 AS 46.03.299

18 AAC 62.020. IDENTIFICATION OF HAZARDOUS WASTE.

(a) Regulations of the federal government for identification and listing of hazardous wastes, promulgated and published as 40 C.F.R. Part 261 (amended through July 1990), are adopted by reference as state regulations.

(b) The commissioner will, in his or her discretion, list a waste as hazardous when evidence of sufficient hazard is received. This determination will be based upon

- (1) the criteria at 40 C.F.R. sec. 261.11; and
- (2) the addition criterion of acute aquatic toxicity defined as a 96-hour LC₅₀ of less than 500 mg/l. (Eff. 7/11/87, Register 103; am 8/7/92, Register 123)

Authority: AS 46.03.020 AS 46.03.299

Editor's notes. — Copies of the federal regulations referred to in 18 AAC 62.020 are available from the U.S. Government Printing Office, Superintendent of Documents, Washington, D.C. 20402, or may be reviewed at any regional office of the department.

Article 2. Standards Applicable to a Generator

Section	Section
200. Purpose and scope	220. (Repealed)
210. Requirements for a generator of hazardous waste	230. Manifest

18 AAC 62.200. PURPOSE AND SCOPE. 18 AAC 62.200 — 18 AAC 62.230 set out the regulatory requirements imposed on a generator of hazardous waste. A generator who produces a hazardous waste listed or characterized under 18 AAC 62.020 shall notify the department, and shall obtain a State/EPA identification number. A generator may not treat, store, dispose, or offer for transport any hazardous waste without an identification number. (Eff. 7/11/87, Register 103; am 8/7/92, Register 123)

Authority: AS 46.03.020 AS 46.03.302 AS 46.03.308
 AS 46.03.296 AS 46.03.305 AS 46.03.311
 AS 46.03.299

Sec. 29.35.590. Definitions. In AS 29.35.500 — 29.35.590

(1) "acute hazardous waste" means a waste listed by the administrator or the Environmental Protection Agency in accordance with the criteria in 40 C.F.R. 261.11(a)(2);

(2) "consumer commodity" means a material that is packaged and distributed in a form intended or suitable for sale through retail sales agencies or instrumentalities for consumption by individuals for purposes of personal care or household use, including a drug or medicine;

(3) "extremely hazardous substance" means a substance listed in 40 C.F.R. Part 355, Appendix A and B;

(4) "handles" includes disposes of, generates, processes, stores, treats, transships, and uses hazardous chemicals, materials, or wastes, but does not include the handling of hazardous chemicals, hazardous materials, or hazardous wastes while they are in transit and before they reach the final destination indicated on the shipping paper accompanying the shipment, except while they are at a transshipment facility; in this paragraph, "shipping paper" has the meaning given in 49 C.F.R. 171.8;

(5) "hazard class" means the class of a hazardous material defined in 49 C.F.R. 173;

(6) "hazardous chemical" means a chemical that is a physical hazard or a health hazard;

(7) "hazardous material" means a material or substance, as defined in 49 C.F.R. 171.8, and any other substance determined by the division of fire prevention, or by a municipality for purposes of its own reporting program, to pose a significant health and safety hazard; "hazardous material" does not include food, drugs, alcoholic beverages, cosmetics, tobacco, or tobacco products intended for personal consumption;

(8) "hazardous waste" means a hazardous waste as identified by the Environmental Protection Agency under 40 C.F.R. 261, and any other hazardous waste defined by the division of fire prevention or by a municipality for purposes of its own reporting program;

(9) "quantity" means the total amount of a material or waste handled at a time and includes the aggregate of a material or waste that is divided among multiple containers;

(10) "threshold planning quantity" means the quantity listed in the column "threshold planning quantity" for a substance listed in 40 C.F.R. Part 355, Appendix A and B;

(11) "transshipment facility" means a building, dock, yard or other structure or area at which hazardous chemicals, hazardous materials, or hazardous wastes are held, or transferred from one vehicle, vessel, or container to another, for the purpose of reshipment within seven days after arriving at the facility, if regularly holding or transferring within that period of time is the principal business of the facility. (§ 4 ch 108 SLA 1986; am §§ 15, 16 ch 143 SLA 1988)

Alaska Oil and Gas Conservation Commission**3001 Porcupine Drive
Anchorage, Alaska 98501****Phone: (907) 279-1433****Fax: (907) 276-7542**

Facsimile Cover Sheet**To: Jack Phelps
Representing: c/o Rep. Williams
Phone:
Fax:****From: David W. Johnston
Title: Alaska Oil and Gas Conservation
Commission
Phone: 907-279-1433
Fax: 907-276-7542****Date: 24/02/95
Pages including this
cover page: 8**

Comments: Enclosed are the few pages from the Interstate Oil and Gas Compact Commission's report on Alaska's Oil and Gas Waste Management programs. The recommendation concerning annular disposal is on page 11, Recommendation I.9.

I bring a copy of the entire document with me. See you next week.

ALASKA STATE REVIEW

**IOGCC/EPA STATE REVIEW OF OIL AND GAS EXPLORATION
AND PRODUCTION WASTE MANAGEMENT REGULATORY PROGRAMS**



**A PROJECT OF THE
Interstate Oil and Gas Compact Commission**

DECEMBER 1992

INTRODUCTION

This report contains the findings and recommendations of a six-person team appointed by the Interstate Oil and Gas Compact Commission (IOGCC) to review components of the regulatory programs of the state of Alaska that pertain to the management of wastes derived from the exploration and production (E&P) of crude oil and natural gas. The review was coordinated by the IOGCC in cooperation with the United States Environmental Protection Agency (EPA) and other interest groups.

BASIS FOR THE REVIEW: The primary basis for the Alaska review is the EPA/IOCC Study of State Regulation of Oil and Gas Exploration and Production Waste, hereinafter, referred to as the "IOGCC Guidance" or "IOGCC Guidelines". The review team evaluated Alaska's E&P waste regulatory programs against the guidelines and criteria listed in the IOGCC Guidance. However, the review team also had some latitude to make inquiries, findings, and recommendations beyond the specific guidelines and criteria contained in the IOGCC Guidance. These outside comments are identified as such in the report. The Guidance deals only with E&P waste identified as exempt from Subtitle C of the Resource Conservation and Recovery Act (RCRA). Since the potential exists for non-exempt waste to be commingled with exempt waste at E&P sites, steps should be taken to prevent such mixing. This issue is not the subject of this report.

The ultimate purpose of the review was to identify strengths and recommend improvements for the state's E&P waste regulatory programs. Because it is not intended to be a detailed review of the effectiveness of Alaska's E&P waste program, the review did not include an evaluation of site-specific case studies or environmental data. The review (and the criteria upon which it is based) is more of an evaluation of whether the state has certain elements of an E&P waste regulatory program than it is a determination of the extent of which the Alaska program is protective of human health and the environment.

Ground rules for the Alaska review were established by an IOGCC steering committee comprised of state environmental and oil and gas regulatory officials, representatives of industry and environmental organizations, and officials of interested federal agencies. Members of the review team, official observers of the reviews, rules of participation, and guidelines for preparation of the draft and final reports were approved by the steering committee.

CONTENTS OF THE REVIEW: A questionnaire (see Appendix B), based primarily on criteria listed in the IOGCC Guidance, was developed by the steering committee and used as a focal point for the Alaska review. The questionnaire touched only briefly on E&P waste management issues that were not addressed in the administrative and technical criteria of the IOGCC Guidance. Those practices and issues excluded are:

- Technical requirements for injection wells regulated under the federal Safe Drinking Water Act (SDWA);
- Effluent limitations for discharges to surface waters regulated under federal Clean Water Act's National Pollutant Discharge Elimination System (NPDES) permits;
- Monitoring and regulation of naturally occurring radioactive materials (NORM) in oil field wastes; and
- Air emission from oil field wastes or waste management facilities.

Questions concerning injection wells and NPDES-permitted discharges were limited, both in the questionnaire and during the in-state review, to how the regulatory programs for those practices interface with other E&P waste management practices.

The review team focused its evaluation on Alaska's regulatory requirements for onsite disposal of drilling and production wastes and offsite treatment and disposal facilities. The review addressed management of those wastes in onsite pits, one-time land application, burial, roadspreading, commercial drilling mud pits, commercial soil farms, surface facilities at commercial disposal wells, solid waste landfills, and crude oil and tank bottom reclamation plants.

Statutory and administrative components of the Alaska programs, including staffing and funding levels and enforcement activities, were assessed against applicable criteria in the IOGCC Guidance. How Alaska's programs interface with federal programs applicable to E&P wastes was also reviewed.

REVIEW TEAM MEMBERSHIP: The review team chosen for the Alaska review included: Mr. William R. Bryson (review team chairman), State of Kansas, Corporation Commission; Mr. James E. Erb, Commonwealth of Pennsylvania, Department of Environmental Resources; Ms. Patti Saunders, Alaska Center for the Environment; Mr. Michael Stettner, State of California, Department of Conservation, Division of Oil & Gas; Mr. Bob Lipchak, ARCO-Alaska, Inc.; and Ms. Janie Nelson, State of Wyoming, Oil and Gas Conservation Commission. Observers included: Mr. Curt Eilo, EPA Region 10; Mr. Bill Hochholser, U.S. Department of Energy, Office of Fossil Energy; Mr. David Lowe, BP Exploration; and Mr. Jim Roderick, Public Awareness Committee for the Environment-Cook Inlet Vigil. Others present included Mr. Jerry R. Simmons, IOGCC staff; Ms. Brenda Craiger, IOGCC staff; Mr. Dennis Ruddy, U.S. Environmental Protection Agency, Office of Solid Waste; and Mr. M.G. "Marty" Mefferd, IOGCC contractor.

WHERE AND HOW THE REVIEW WAS CONDUCTED: The Alaska review was conducted in Anchorage, Alaska at the Alaska Oil and Gas Conservation Commission (AOGCC) offices on July 13-17, 1992. Mr. David Johnston, Oil and Gas Conservation Commission Commissioner was responsible for AOGCC staff's responses to the questionnaire and review panel questions, and provided members of his staff as necessary during the review process. Mr. Glenn Miller, Alaska Department of Environmental Conservation (DEC) was responsible for DEC staff's responses to the questionnaire and review panel questions, and provided members of his staff as necessary during the review process.

The review was conducted by discussing the answers in the questionnaire provided to the review team by AOGCC, DEC and DNR. Prior to beginning each section of the questionnaire, the appropriate staff member would give an overview of the topic to be discussed (i.e., permitting, enforcement, technical requirements, etc.). Each review team member was responsible for leading the questioning and ensuing discussion for particular topics. Observers were also permitted to ask questions throughout the review. At the end of each day, the review team and observers identified issues raised during the daily sessions.

The review team prepared a list of findings and areas of concern. On Friday, July 17, 1992, an exit interview was conducted with each agency to inform them of the review team's preliminary findings, including positive aspects and areas of concern.

Each review team member was assigned one or more sections to prepare into draft report. The review panel met again on September 21-25, 1992, to complete the draft report. Once completed, the draft report was distributed for review and comment to all participants in the review, including the Alaska regulatory officials and review observers. The review panel met on November 8-10, 1992 to consider all comments and to prepare a final report.

The review team reached consensus on most of the findings and recommendations contained herein. In areas where consensus was not achieved, appropriate entries have been made in the report.

OIL AND GAS PRODUCTION AND WASTE MANAGEMENT IN THE STATE OF ALASKA

The first commercial oil production occurred in the Katalla field in the Gulf of Alaska, which was discovered in 1902. The field was abandoned in 1933, after processing 154,000 barrels of oil, when the refinery burned. Modern day production began with the discovery of the Swanson River field on the Kenai Peninsula in 1957 (Cook Inlet Area) and the Prudhoe Bay field in 1967 (North Slope Area).

The State of Alaska owns 30 percent of the land in the state. This includes all of the North Slope oil fields, as well as most of the Cook Inlet fields. Thus, the State of Alaska is involved in oil and gas exploration and production waste management both as a regulatory agency and as a landowner.

In 1991 Alaska produced 15.4 million barrels of oil from the Cook Inlet fields and 665 million barrels from the North Slope fields. Cook Inlet production peaked at 83 million barrels in 1970 and the North Slope peaked at 744 million barrels in 1988. The North Slope fields produced a peak of 2.1 trillion cubic feet (tcf) of natural gas in 1991; all but 248 billion cubic feet (bcf) was reinjected to maintain pressure and improve ultimate recovery. All gas produced is utilized or returned to the reservoir on the North Slope, as there are no pipelines carrying gas to other markets. North Slope gas production started with the Barrow field which was discovered in 1949. Cook Inlet gas production began from Swanson River in 1958 and peaked at 311 bcf in 1990. The 1991 production was 308 bcf. Gas from the Cook Inlet Area goes to Anchorage, Kenai and other South Central Alaska communities. It is also used to produce ammonia and urea as well as being exported as LNG to Japan. Alaska currently has 1,572 producing oil wells and 108 producing gas wells. Currently, Alaskan oil fields produce nearly 25 percent of domestic production.

No information about reserves was provided to the review team; however, production from Cook Inlet fields is expected to decline from approximately 39,000 barrels per day (b/d) in 1992 to 17,000 b/d in the year 2000. The North Slope fields will decline from 1,700,000 b/d in 1992 to an estimated 100,000 b/d in the year 2016, depending on the economic limits of the fields, and assuming no other discoveries are made and developed.

Alaska currently has 613 injection wells, of which 34 are Class II disposal wells and 579 are enhanced recovery (EOR) wells. Twenty-four disposal wells were active at the end of 1991, injecting 125,683,277 barrels of produced water in that year. In 1991, approximately 830,193,000 barrels were reinjected into producing formations through EOR wells. In addition, 999,700 barrels of fluid associated with North Slope operations were disposed of into Class I non-hazardous/industrial wells at Pad 3. Data on volumes of waste disposed into reserve pits or through permitted NPDES

discharges were not made available to the review team. Volumes were also not available for burial and landfilling practices on the North Slope, although the volume was characterized as a "small amount."

Major sources of groundwater are from alluvial deposits in the Kenai Peninsula (Cook Inlet). On the North Slope, no fresh groundwater zones have been identified in oil and gas fields. The Swanson River field is located in a federal wildlife refuge on the Kenai Peninsula. Only a small portion of Alaska's oil and gas production activities are conducted on privately owned lands.

E&P waste management practices in Alaska have been changing in the last few years. Over the past five years, the industry-state relationship on the North Slope has matured into a more cooperative, proactive and open approach to solving problems. This relationship has been possible because of the small number of operators, all of whom are major oil companies that have adequate multidisciplinary personnel resources to deal with Alaska environmental regulations and problems.

The acceptability of some longstanding practices has been rethought by industry, state and federal agencies. New technologies for waste treatment and disposal are being developed. As these new technologies come on line, old practices are being phased out. For instance, on the North Slope, muds, cuttings and some associated waste are now being ground and injected, replacing above ground reserve pits, which have in the past been the primary method of disposal. Also, prior to 1988, the general practice was to discharge the liquid fraction in the pits (consisting of snow melt and some free liquids in the wastes) to the adjacent tundra. This practice was conducted pursuant to DEC wastewater permits, but without federal NPDES permits. These liquids are now disposed of in injection wells.

Although not prohibited by regulation, above-grade pits, tundra discharges and roadspreading of pit liquids have not been authorized on the North Slope since 1988. The use of reserve pits for E&P waste management continues on the Kenai Peninsula, although roadspreading of pit liquids was discontinued in 1988, as it was on the North Slope.

Non-commercial E&P waste management facilities such as tank batteries, reserve pits and EOR/disposal wells are used in both the North Slope and Cook Inlet Areas. Neither producing area has commercial E&P waste management facilities, nor are there any roadspreading or landfarming operations.

EPA and DEC have signed a Memorandum of Agreement pursuant to which DEC conducts certain aspects of the RCRA hazardous waste program in Alaska. Alaska does not have RCRA Subtitle C primacy. EPA also retains authority for the Clean Water Act's NPDES wastewater discharge program, while DEC manages a state water quality program.

FINDING I.7.

Consistent with IOGCC Guideline 3.1, Title 46 of Alaska Statutes sets forth DEC's programs for environmental protection. AS 46.03.010 is a declaration of the state's policy to protect the environment and the health and welfare of the people of Alaska.

FINDING I.8.

The declaration of policy in AS 46.03.010 is an outstanding example of the goal statement called for by IOGCC Guideline 3.2.

DEC administers the following technical criteria relevant to:

18 AAC Chapter 50	Air quality control
18 AAC Chapter 60	Solid waste management
18 AAC Chapter 62	Wastewater disposal
18 AAC Chapter 70	Water quality standards
18 AAC Chapter 72	Hazardous waste
18 AAC Chapter 75	Oil and hazardous substance pollution control
18 AAC Chapter 80	Drinking water standards
18 AAC Chapter 85	Radiation protection

FINDING I.9.

Annular disposal of wastes is regulated by DEC's wastewater program, while injection of wastes through tubing into Class II wells is controlled by AOGCC.

RECOMMENDATION I.9.

To maximize efficient and effective use of resources, especially in light of fiscal and staffing shortfalls, and to take advantage of existing technical expertise, AOGCC and DEC should consider unifying administration of the annular disposal and UIC programs under AOGCC using an MOU or other such delegation. (IOGCC Guidance 3.1.e.)

PAUL S. GLAVINOVICH
MINERALS CONSULTANT

PO Box 112816
Anchorage, Alaska 99511

Telephone
(907) 345-3646

February 24, 1995

Rep. Bill Williams, Chairman
House Resources Committee
Alaska State Legislature
Juneau, Alaska

Re: HB 128

Dear Representative Williams:

HB 128 will amend AS 46.03.100 to exempt certain activities associated with mineral exploration, construction, water well drilling and etc. from the requirement of obtaining a waste disposal permit. The activities so exempted represent no threat to environmental quality and had been ignored by DEC until 1994 when an environmental activist demanded this statute be enforced on all activities irrespective of environmental impact. DEC Southeastern Region's immediate and arbitrary response was extremely disruptive and had the potential to seriously delay, defer or cancel ongoing exploration activities.

I cannot believe that AS 46.03.100 was intended to include the minimal discharges associated with those activities addressed in your legislation. HB 128 corrects this oversight and provides very welcome regulatory relief with the attendant reduction in associated costs.

I strongly recommend the Committee's support for HB 128.

Sincerely,



Paul S. Glavinovich

Alaska State Legislature

Committees:

House Resources
Co-Chairman
World Trade &
State Federal Relations
Transportation
Rules
Oil & Gas

During Session:
State Capitol
Juneau, AK 99801-1182
(907) 465-3424
Fax (907) 465-3793

In Ketchikan:
352 Front Street
Ketchikan, AK 99901
(907) 247-4672
Fax (907) 225-8546

Representative William K. Williams

SPONSOR STATEMENT

HOUSE BILL 128

The current language of AS 46.03.100 requires a permit for any disposal of solid or liquid waste into the waters or onto the land of the state. Under the existing law there is no provision for an exemption regardless of how minimal or benign the deposit may be.

Until recently, the Alaska Department of Environmental Conservation (ADEC) treated negligible discharges as if there were a minimal exemption in the statute. Presently, the department is in the process of considering a general permit that would apply to "mine drilling exploration, water well drilling and monitoring well drilling" (Proposed permit #9540-DB001). It is not apparent that the department is contemplating regulations that would apply to other industries which would be affected if the current law was followed to the letter.

House Bill 128 would provide in statute a general exemption for discharges which are incidental to activities such as mineral drilling and trenching, well drilling, or road and facility construction when the discharge is not directly into the surface waters of the state. This would restore the status quo which has worked for years without harm to the environment.

House Bill 128 is important in reaching the oft-repeated goal of minimizing the unnecessary regulatory burden on Alaska's resource development industries. I urge its speedy passage.

9-LS05140
Chenoweth
2/17/95

CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 128(RES)

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE RESOURCES COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES WILLIAMS, Kott, Toohey

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the disposal of wastes; giving the Alaska Oil and Gas
 2 Conservation Commission authority to regulate disposal in the annular space of an
 3 oil or gas well of drilling mud, cuttings, and nonhazardous drilling operation wastes;
 4 exempting the disposal of certain wastes in the annular space of an oil or gas well
 5 from the requirement of a waste disposal permit issued by the Department of
 6 Environmental Conservation; and establishing an exemption from the requirement of
 7 obtaining a waste disposal permit from the Department of Environmental Conservation
 8 for certain activities that yield solid and liquid waste material discharges and cooling
 9 water discharges."

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

11 * Section 1. AS 31.05.030(e) is amended to read:

1 (e) The commission may regulate

2 (1) [.] for conservation purposes

3 (A) [(1)] the drilling, producing, and plugging of wells;

4 (B) [(2)] the shooting and chemical treatment of wells;

5 (C) [(3)] the spacing of wells;

6 (D) [(4)] the disposal of salt water, nonpotable water, and oil field

7 wastes:

8 (E) [(5)] the contamination or waste of underground water;

9 (F) [(6)] the quantity and rate of the production of oil and gas

10 from a well or property: this authority shall also apply to a well or property in a

11 voluntary cooperative or unit plan of development or operation entered into in

12 accordance with AS 38.05.130(p);

13 (2) the disposal, in the annular space of an oil or gas well, of drilling
 14 mud, cuttings, and nonhazardous drilling operation wastes; in this paragraph, a
 15 "nonhazardous drilling operation waste" means a waste, other than a hazardous
 16 waste as that term is defined in AS 46.03.900, associated with the act of drilling an
 17 oil or gas well for exploratory or production purposes.

18 * Sec. 2. AS 46.03.100(d) is amended to read:

19 (d) This section does not apply to

20 (1) the disposal, in the annular space of an oil or gas well, of drilling
 21 mud, cuttings, and nonhazardous drilling operation wastes regulated under
 22 AS 31.05.030(e)(2); or

23 (2) injection projects permitted under AS 31.05.030(h).

24 * Sec. 3. AS 46.03.100 is amended by adding a new subsection to read:

25 (f) Except as to discharges arising out of exploration and development drilling
 26 for oil and gas resources, this section does not apply to

27 (1) discharges of solid or liquid waste material or water discharges that
 28 will arise from

29 (A) the following activities if the discharge is incidental to the
 30 activity, the activity is carried out in a manner consistent with established industry
 31 procedures, and the activity does not produce a discharge from a point source, as

1 that term is defined in regulations adopted under this chapter, directly into any
2 surface water of the state:

3 (i) mineral drilling, trenching, and similar activities;

4 (ii) landscaping;

5 (iii) water well drilling, geophysical drilling, or coal bed
6 methane drilling;

7 (B) drilling, ditching, and similar activities associated with facility
8 construction and maintenance or with road or other transportation facility
9 construction and maintenance if the discharge is incidental to the drilling,
10 ditching, or similar activity, the drilling, ditching, or similar activity is carried out
11 in a manner consistent with established industry procedures, and the drilling,
12 ditching, or similar activity does not produce a discharge from a point source, as
13 that term is defined in regulations adopted under this chapter, directly into any
14 surface water of the state; however, the exemption provided under this
15 subparagraph does not relieve a person from obtaining a permit under (a) of this
16 section if the drilling, ditching, or similar activity will involve the removal of the
17 stormwater or wastewater runoff that has accumulated and is present at an
18 excavation site for facility, road, or other transportation construction or
19 maintenance; or

20 (C) bilge pumping, unless the bilge product pumped may be
21 expected to yield an oily sludge, emulsion, or sheen on the surface
22 of the state; or

23 (2) cooling water discharges from a boat or vessel into any surface water
24 of the state.

CS SSHB 128(RES)

Waste Disposal Permit Exemption

Sectional Analysis

Section 1 of the bill amends AS 31.05.030(e) to give authority to the Alaska Oil & Gas Conservation Commission to regulate annular pumping.

Section 2 of the bill amends AS 46.03.100(d) to exclude annular pumping from the permitting authority granted to the Department of Environmental Conservation by AS 46.03.100(a).

Section 3 of the bill adds a new subsection to AS 46.03.100 establishing an exemption from the requirement of obtaining a permit for the incidental discharge of solid and liquid waste materials and certain water discharges arising from various activities within the state.

To qualify for the exemption, the discharge must be incidental to the activity, the activity must be carried out in a manner consistent with established industry procedures, and the activity must not produce a discharge from a point source directly into the surface waters of the state.

Under this bill, bilge pumping is also exempt providing it conforms to current U.S. Coast Guard standards. Engine cooling water discharges are also exempted by the bill.

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB128

Revision Date: _____
 Title: An Act establishing an exemption to the
requiremt. of obtain. waste disposal permit
 Sponsor: Rep. Williams
 Requestor: _____

Department Affected: Environmental
Conservation
 BRU: Environmental Quality
 Component: Wastewater & Water Treatment

COMPONENT SERIAL NO. 1426

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND&STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS,CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipt	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ 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.)

The department would promulgate the requested definition of "point source discharge" in a revision of the wastewater regulations using existing staff and funding.

Prepared by: Deena J. Henkins *Lawrence Jones*
 Division: Environmental Quality *(LARRY JONES)*

Phone: 465-5312
 Date: 2/2/95

Approved by Commissioner: *Leonard P. Merrill*
 Agency: Department of Environmental Conservation

Date: 2/2/95

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