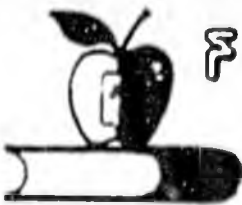


ALASKA LEGISLATURE COMMITTEE FILES 1995-1996 8672

9001 SENATE RESOURCES



FOC) FOR
THOUGHT, INC.

MATANUSKA-SUSITNA
BOROUGH SCHOOL DISTRICT
NUTRITION SERVICES

Linda R. Stoll, M.P.H.
Carole L. Olsen, R.D.
Suzanne Hermon

February 14, 1995

Representative Gene Kubina
State Capitol
Juneau, AK 99801

Dear Representative Kubina;

I am writing to you to let you know of my support for House Bill No. 119.

It was with a great deal of surprise that I began receiving bills for issuance of food service permits for all of my schools this year. We serve meals at 25 sights and the total billings received would amount to nearly \$5000.00. Needless to say, it would be an extreme hardship on this program to try to find an additional \$5000.00 in our budget. Our program is currently trying to maintain operating on a "break-even" budget, that is, a budget that brings in enough revenue to meet all direct expenditures of the program. The only possible source of money for these permits would be found if we were to cut back on food that we are serving to the children.

We currently receive no revenue from either state or local sources. We hope to be able to continue to be a support program without requiring input of state and local dollars into the program. The addition of expenses such as this one from D.E.C. could be the proverbial straw that breaks the camel's budgetary back.

I realize that state programs are searching for additional revenue sources to help with efforts to reduce state spending, but I additionally realize that an expense to this department which would necessitate our becoming dependent on state funds would merely take from one state source and give to another.

I urge you and your colleagues to pass this legislation.

cc: Rep. Vic Kohring
Rep. Scott Ogan
Rep. Beverly Masek
Senator Rick Halford
Senator Lyda Green

Linda R. Stoll

Collateral references. — 61A Am. 39A C.J.S., Health and Environment, Jur. 2d, Pollution Control, § 1 et seq. § 61 et seq.

Sec. 44.46.020. Duties of department. The Department of Environmental Conservation shall

(1) have primary responsibility for coordination and development of policies, programs, and planning related to the environment of the state and of the various regions of the state;

(2) have primary responsibility for the adoption and enforcement of regulations setting standards for the prevention and abatement of all water, land, subsurface land, and air pollution, and other sources or potential sources of pollution of the environment, including by way of example only, petroleum and natural gas pipelines;

(3) promote and develop programs for the protection and control of the environment of the state;

(4) take actions that are necessary and proper to further the policy declared in AS 46.03.010;

(5) adopt regulations for

(A) the prevention and control of public health nuisances;

(B) the regulation of sanitation and sanitary practices in the interest of public health;

(C) standards of cleanliness and sanitation in connection with the construction, operation, and maintenance of a camp, cannery, food handling establishment, food manufacturing plant, mattress manufacturing establishment, industrial plant, school, barbershop, hairdressing or cosmetology establishment, soft drink establishment, beer and wine dispensaries, and for other similar establishments in which lack of sanitation may create a condition that causes disease;

(D) the regulation of quality and purity of commercially compressed air sold for human respiration. (§ 2 ch 120 SLA 1971; am E.O. No. 51, § 40 (1981))

NOTES TO DECISIONS

Approval of subdivision plans. — subdivision. *State v. Anderson*, 749 P.2d 1342 (Alaska 1988).
Department of environmental conservation can validly require its approval of potential subdivision plans as a prerequisite to the recording and sale of any lots in the
Cited in *Noey v. Department of Envtl. Conservation*, 737 P.2d 796 (Alaska 1987).

Sec. 44.46.025. Fees for services. (a) The Department of Environmental Conservation may adopt regulations that prescribe reasonable fees, and establish procedures for the collection of the fees, to cover the applicable direct costs, not including travel, of inspections, permit preparation and administration, plan review and approval, and other services provided by the department relating to

(1) agriculture and animals under AS 03.05; food, drugs, and cosmetics under AS 17.20; and public accommodations and facilities under AS 18.35;

(2) certificates of inspection for motor vehicles under AS 46.14.400 or 46.14.510;

(3) sewerage system and treatment works and wastewater disposal systems, and drinking water systems, under AS 46.03.720;

(4) oil discharge financial responsibility under AS 46.04.040;

(5) oil discharge contingency plans under AS 46.04.030;

(6) water and wastewater operator training under AS 46.30;

(7) control of solid waste facilities under AS 46.03.020(10) and 46.03.100;

(8) certification of laboratories conducting environmental analyses of public drinking water systems or of oil or hazardous substances, or conducting other analyses required by the department;

(9) certification of federal permits or authorizations under 33 U.S.C. 1341, sec. 401 (Clean Water Act).

(b) The department may not charge a fee for a service that is provided by a municipality under a delegation by the department to the municipality.

(c) The department may adopt regulations that prescribe reasonable fees to cover the direct and indirect costs of air quality permit programs under AS 46.14 and may establish procedures for the collection of those fees. (§ 63 ch 36 SLA 1990; am §§ 76, 77 ch 63 SLA 1993; am §§ 12, 13 ch 74 SLA 1993)

Revisor's notes. — Section 77, ch. 63, SLA 1993 enacted a subsection (c) for this section that is almost identical to that enacted by § 13, ch. 74, SLA 1993 and set out above. The only difference between the two is that the latter contains the words "and indirect" after the word "direct." Because § 13, ch. 74, SLA 1993 was the later enactment and had an immediate effective date, the amendment made by ch. 63 will not be codified.

Effect of amendments. — The first

1993 amendment, effective January 1, 1993, rewrote subsection (a).

The second 1993 amendment, effective June 26, 1993, substituted the present language of paragraph (a)(2) for "air quality permits under AS 46.03.140 and 46.03.160" and added subsection (c).

Editor's notes. — Section 87, ch. 63, SLA 1993 provides "If any section of this bill is found to violate the single subject rule it is severed from the rest of the bill."

Article 2. Environmental Advisory Board.

Section

30. Environmental advisory board
40. Expenses and per diem of board members

Section

50. Functions of board

HB

121



Alaska State Legislature

Session:
State Capitol
Juneau AK 99801-1182

Interim:
716 W 4th Avenue
Anchorage AK 99501-2133

MEMO

TO: Jerry Luckhaupt, Legal Services
VIA FAX: 2029 2 pages

FROM: Annette Kreitzer, Senate Resources Committee Aide

DATE: March 2, 1995

RE: CS for HB 121

Handwritten initials, possibly "AK", enclosed in a circle.

.....

Please incorporate the attached amendment into a final Resources CS for HB 121 and return to Room 115 as soon as possible. Thanks. There were no other changes to the bill.

MAR 1 1995

9-LS0488V.1
Luckhaupt
3/1/95

AMENDMENT #1

OFFERED IN THE SENATE
TO: HB 121(title am)

BY: LEMAN
by request

- 1 Page 1, line 8:
- 2 Delete "(a)"

- 3 Page 2, lines 1 - 2:
- 4 Delete all material.

deleted - unnecessary
Consent 3/1/95
(PK)



Alaska State Legislature

Session:
State Capitol
Juneau AK 99801-1.82

SENATE RESOURCES COMMITTEE

Interim:
716 W 4th Avenue
Anchorage AK 99501-2133
Chairman: Senator Loren Loman
Vice Chairman: Senator Drue Pearce
Senator Steve Frank
Senator Rick Halford
Senator Robin Taylor
Senator Georgianna Lincoln
Senator Lyman Hoffman

SCS HB 121(RES)

Senate Resources Committee Letter of Intent

The Senate Resources Committee recognizes the need for increased flexibility for the Commissioner of Natural Resources to respond to forest health situations on state forest lands. House Bill 121 provides that flexibility by allowing salvage timber sales to be harvested without the listing on two consecutive five-year schedules of timber sales currently required by AS 38.05.113. The Senate Resources Committee intends that House Bill 121 be used to offer salvage sales of state timber at the discretion of the commissioner under the commissioner's responsibility to manage state forest lands for wise use in accordance with multiple use and sustained yield principles.

The Senate Resources Committee expects the Division of Forestry to design salvage timber sales in a manner consistent with the purposes of House Bill 121, and in a manner clearly designed to prevent significant loss of economic value of Alaska's forest resources as set forth in House Bill 121. The Senate Resources Committee intends that taking of healthy green timber during a salvage harvest will be minimized to the degree consistent with normal forestry practices and the Alaska Forest Resources and Practices Act. With respect to land being cleared for conversion to nonforest uses, the Senate Resources Committee recognizes that these limitations would not apply. All salvage timber sales will comply with the Alaska Forest Resources and Practices Act.

DIVISION OF LEGAL SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

907) 465-3367 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

120 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 30, 1995

SUBJECT: Sectional Summary of HB 121.
(Work Order No. 9-LS0488\C)

TO: Representative Bill Williams

FROM: Gerald P. Luckhaupt *GLP*
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, please note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill - the bill itself is the best statement of its contents.

Section 1 of the bill amends AS 38.05 by adding a new section related to salvage sales of timber by the Department of Natural Resources.

Section 2 of the bill amends AS 38.05.118(c) related to the conditions for negotiated timber sales.

GPL.kib
95-024.kib

ALASKA FOREST HEALTH
3/94

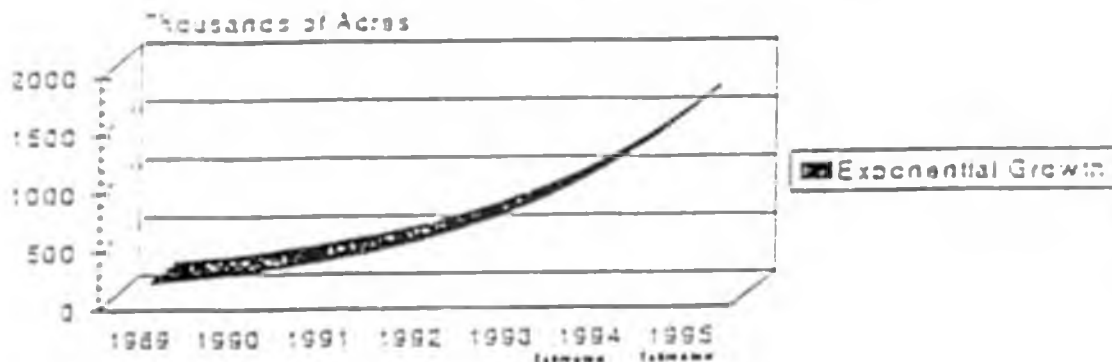
Southcentral and Interior Alaska

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.

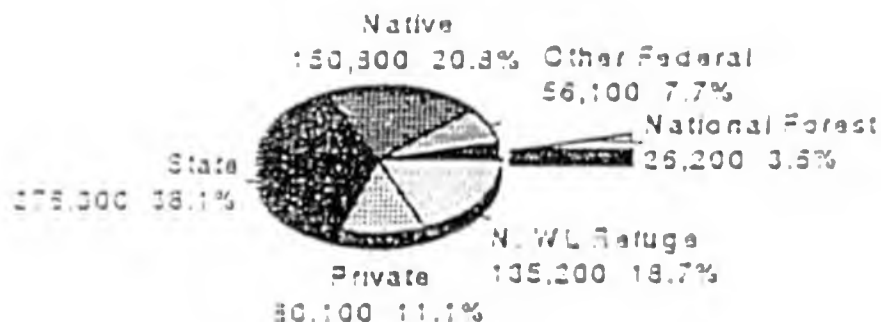
- Extensive loss of old-growth habitat, increased fragmentation, and lack of natural regeneration constitutes the largest ecological crisis facing Alaska's forests today.
- Potential for catastrophic fires from increased fuel loadings poses a growing social problem.
- Loss of economic forest values (tourism,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

Society of American Foresters

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.

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB121 (Title AM)

1995 LEGISLATIVE SESSION

Revision Date: 28-Feb-95 Dept Affected: Natural Resources
 Title: An Act relating to salvage sales of state timber and BRU: Resource Development
to negotiated sales of state timber in areas where there exists, or will... Component: Forest Mgmt. & Development
 Sponsor: Representative Williams, Therriault, Ogan...
 Requestor: _____ Component Serial No. 435

Expenditures/Revenues

(Thousands of Dollars)

OPERATING EXPENDITURES	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES	240.0	240.0	240.0	240.0	240.0	240.0
TRAVEL	20.0	20.0	20.0	20.0	20.0	20.0
CONTRACTUAL	80.0	80.0	80.0	80.0	80.0	80.0
SUPPLIES	20.0	20.0	20.0	20.0	20.0	20.0
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	360.0	360.0	360.0	360.0	360.0	360.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
-----------------------------	-----	-----	-----	-----	-----	-----

CHANGE IN REVENUES (1004)	0.0	375.0	375.0	375.0	375.0	375.0
----------------------------------	-----	-------	-------	-------	-------	-------

FUND SOURCE

(Thousands of Dollars)

FUND SOURCE	FY96	FY97	FY98	FY99	FY00	FY01
1002 Federal Receipts						
1003 GF Match						
1004 GF	360.0	360.0	360.0	360.0	360.0	360.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	360.0	360.0	360.0	360.0	360.0	360.0

Estimate of any current year (FY95) cost: \$ None

POSITIONS

POSITIONS	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME	4	4	4	4	4	4
PART-TIME	1	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS:

(Attach a separate page if necessary)

Assumption 1: If we assume that this bill simply changes the process for salvage timber than there would be a zero fiscal impact as there is no requirement for the agency to change its workload.

Assumption 2: If the assumption is for the agency to start harvesting 25mmbf of salvage timber at \$15 per MBF and we keep doing our regular workload than the incremental cost would be \$360.0, offset with the revenues of the salvage sale.

Assumption 3: If the assumption is that the agency include salvage sales by repriorizing workload and use of existing staff the fiscal note would be zero on cost but the state would be losing revenues from higher yielding sales.

Comment - The agency's timber harvest program would target higher yielding harvest before salvage sales. If the wishes of legislature are to target salvage sales at certain areas we would like to request specific funding by area through the CIP as was done in the Kenai.

Prepared by: Tom Boutin, Director Phone: 465-3379
 Division: Forestry Date: 28-Feb-95
 Approved by Commissioner: _____ Date: 2-28-95
 Agency: Natural Resources

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HB121
Senate Resources

Amendments Proposed by DNR

Section 1 (a) [Line 10] be amended to read:

Insert: dead or dying after "salvage sale" and before "timber" and delete "stands" such that the line reads:

serve the best interests of the state, may offer for salvage sale dead or dying timber that will

Section 2 (b): Delete.

FISCAL NOTE

STATE OF ALASKA

BILL NO. HB121

1995 LEGISLATIVE SESSION

Revision Date: Original Dept Affected: Natural Resources
 Title: An Act relating to the timber resources within the state. BRU: Resource Development
 Sponsor: Representative Williams, Theriault, Coan... Component: Forest Mgmt. & Development
 Recusator: _____ Component Serial No. 435

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.01	0.01	0.01	0.01	0.01	0.01
CAPITAL EXPENDITURES	0.01	0.01	0.01	0.01	0.01	0.01
CHANGE IN REVENUES	0.01	0.01	0.01	0.01	0.01	0.01

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Net						
TOTAL	0.01	0.01	0.01	0.01	0.01	0.01

Estimate of any current year (FY95) cost: \$ None

POSITIONS	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME	01	01	01	01	01	01
PART-TIME	01	01	01	01	01	01
TEMPORARY	01	01	01	01	01	01

ANALYSIS: (Attach a separate page if necessary)

There is no fiscal impact associated with implementation of HB121.

Prepared by: Tom Boutin, Director Phone: 485-3379
 Division: Forestry Date: 1-Feb-95
 Approved by Commissioner: [Signature] Date: 2/1/95
 Agency: Natural Resources

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Committees:
House Resources,
Chairman
Community &
Regional Affairs
Labor & Commerce

Representative William K. Williams

SPONSOR STATEMENT

HOUSE BILL 121

Currently, AS 38.05.113 provides that before timber is sold from state forests, the proposed sale must be listed in the two five-year sale schedules immediately preceding the proposed sale.

Alaska's state forests occasionally suffer from disease, insect infestation, and fire. The state also has occasion to convert forest lands to nonforest uses. These situations do not always fall within the five-year sale schedule mandated by AS 38.05.113. This often prevents the state from realizing the full benefit of harvesting the timber affected by these situations.

House Bill 121 is designed to alleviate this conflict. The bill will allow the commissioner of natural resources, after making a best interest determination, to sell timber that stands to lose substantial economic value unless harvested within two years, thus avoiding the costly time delay required by AS 38.05.113.

AS 38.05.118 currently authorizes the commissioner to enter into short term negotiated sales of state timber at appraised value. House Bill 121 would amend this statute to increase the commissioner's ability to use negotiated timber sales as a management tool. The amendment would allow short term negotiated sales when the timber involved is expected to lose substantial economic value due to disease, insect infestation or fire, or when the land is being converted to a nonforest use.

House Bill 121 will increase the state's ability to respond to forest management situations in a timely fashion. I urge its speedy passage.

1964; am § 8 ch 257 SLA 1976; am § 1 ch 267 SLA 1976; am § 11 ch 138 SLA 1977; am §§ 12, 13 ch 182 SLA 1978; am §§ 17, 37 ch 2 FSSLA 1992)

Effect of amendments. — The 1992 amendment, effective July 1, 1992, in subsection (a), rewrote the first two sentences and, in the third sentence, substituted "commissioner" for "director"; and repealed subsection (b).

Article 4. Disposal of Timber and Materials.

Section

112. Forest land use plans
113. Five-year sale schedule

Sec. 38.05.112. Forest land use plans. (a) The department may not sell or harvest timber, except for isolated personal use timber harvest, until a site-specific forest land use plan has been adopted. A forest land use plan is required whether or not a regional or area land use plan under AS 38.04.065(a) or a forest management plan under AS 41.17.230 has been adopted.

(b) The commissioner shall base a forest land use plan on the best available data, including information provided by other agencies describing the immediate and long-term effects of individual and collective forest activities on the timber base and on other resources and uses.

(c) In addition to the requirements of AS 38.04.065(b), a forest land use plan shall consider

- (1) commercial timber harvesting, including related activities;
- (2) harvesting of forest products for personal use;
- (3) fish and wildlife habitat, including
 - (A) identification and protection of important wildlife habitat;
 - (B) retention of riparian, wetland, and ocean-shoreline vegetation critical for fish and wildlife habitat; and
 - (C) classification of water bodies according to physical characteristics;
- (4) uses of forest land for nontimber purposes, including
 - (A) recreation, tourism, and related activities;
 - (B) mining, mining claims, mineral leaseholds, and material extraction;
 - (C) uses of fish and wildlife;
 - (D) agriculture, including grazing; and
 - (E) other resources and uses appropriate to the area, including compatible traditional uses;
- (5) soil characteristics and productivity;
- (6) water quality; and
- (7) watershed management.

(d) A management plan prepared by the commissioner must consider and permit the uses described in (c) of this section. If the com-

missioner finds that a permitted use is incompatible with one or more other uses in a portion of a state forest, the commissioner shall affirmatively state in the management plan that finding of incompatibility for the specific area where the incompatibility is anticipated to exist and the time period when the incompatibility is anticipated to exist together with the reasons for each finding. (§ 1 ch 34 SLA 1990)

Sec. 38.05.113. Five-year sale schedule. (a) The department shall annually prepare a five-year schedule of timber sales planned on all land managed by the department. The schedule must be of sufficient specificity that it provides a basis for the department to allocate its resources in considering and designing sales and in conducting economic and environmental analyses. The schedule must inform the public and the timber products industry of long-term plans and provide a basis for public comment.

(b) Except as provided in (c) of this section, a proposed sale may not be held unless it has been included in the two five-year schedules preceding the sale. This requirement does not apply until one year after the first five-year schedule is prepared under this section.

(c) The department may adopt regulations exempting small and emergency sales from the requirements of this section. (§ 1 ch 34 SLA 1990)

Article 5. Reservation of Rights to Alaska.

Sec. 38.05.130. Damages and posting of bond.

NOTES TO DECISIONS

Cited in *Hayes v. A.J. Assoc.*, 346 P 2d 131 (Alaska 1993).

Article 5A. Oil and Gas Exploration Licenses; Leases.

Section	Section
131. Applicability; determination; regulations	133. License procedures
132. Oil and gas exploration license	134. Conversion to lease

Effective dates. — Section 2, ch. 35, SLA 1994, which enacted this article, took effect on August 7, 1994.

NOTES TO DECISIONS

Applied in *Wessells v. State, Dep't of Hwys.*, 562 P.2d 1042 (Alaska 1977).

Quoted in *Alyeska Ski Corp. v. Holdsworth*, 426 P.2d 1006 (Alaska 1967).

Sec. 38.05.107. Compensation relating to easements or rights-of-way across state leases. [Repealed. § 1 ch 203 SLA 1975.]

Article 4. Disposal of Timber and Materials.

Section

110. Sale of timber and materials
115. Limitations and conditions of sale
118. Negotiated timber sales in areas of high unemployment

Section

120. Disposal procedure

Sec. 38.05.110. Sale of timber and materials. The commissioner shall provide for cruises of timber and appraisals of other materials in or upon state land and shall assess the supply of and current markets for timber on and other materials in privately owned land in close proximity to state land to determine

(1) the timber and other materials that should be offered for sale, and

(2) the terms of sale of the timber or other materials. (§ 1 art VI ch 169 SLA 1959; am § 31 ch 152 SLA 1984)

NOTES TO DECISIONS

Cited in *Southeast Alaska Conservation Council, Inc. v. State*, 665 P.2d 544 (Alaska 1983).

Collateral references. — 63A Am. Jur. 2d, Public Lands, §§ 17, 19.
73A C.J.S., Public Lands, §§ 13 to 16.

Sec. 38.05.115. Limitations and conditions of sale. (a) The commissioner shall determine the timber and other materials to be sold, and the limitations, conditions and terms of sale. The limitations, conditions and terms shall include the utilization, development and maintenance of the sustained yield principle, subject to preference among other beneficial uses. The commissioner may negotiate sales of timber or materials without advertisement and on the limitations, conditions, and terms that are considered to be in the best interests of the state. Within a one-year period, the commissioner may not negotiate a sale without advertisement to the same purchaser of

(1) more than 500 M.B.M. or equivalent other measure of timber;

(2) except as provided in (3) of this section, more than 25,000 cubic yards of materials; or

3) more than 100,000 cubic yards of materials to a common carrier holding a lease under AS 38.35.

(b) Negotiated sales not exceeding 50 M.B.M. or the equivalent other measure of timber or 2,500 cubic yards of materials are exempt from the provisions of AS 34.15.150. (and - good for 10 years)

(c) The limitations of this section are not applicable to timber which becomes state property under the provisions of AS 45.50.210 — 45.50.235. (§ 2 art VI ch 169 SLA 1959; am § 1 ch 66 SLA 1969; am § 9 ch 257 SLA 1976; am §§ 2, 3 ch 73 SLA 1978; am § 32 ch 152 SLA 1984; am § 1 ch 119 SLA 1986)

Effect of amendments. — The 1986 amendment in subsection (a) inserted paragraph designations, added the language beginning "Within a one-year period" preceding the paragraph (1) designation, in paragraph (1) deleted "However, not" at the beginning, in paragraph (2)

added "except as provided in (3) of this section," in paragraph (3) substituted the present language for "may be sold by nonadvertised, negotiated sale to the same purchaser within a one-year period," and made minor related word and punctuation changes.

Sec. 38.05.118. Negotiated timber sales in areas of high unemployment. (a) Notwithstanding any other provision of AS 38.05.110 — 38.05.120, the commissioner may negotiate a sale of timber to a local manufacturer at appraised value. The period of a contract for a sale of timber negotiated under this section may not exceed 25 years. The contract shall provide that the appraised value of timber remaining to be harvested under the provisions of the contract shall be redetermined at least once every five years.

(b) Notice of intent to negotiate a contract authorized by (a) of this section shall be given in accordance with AS 38.05.945.

(c) A sale of timber may not be negotiated by the commissioner under this section except on a finding that, within an area proximate to the business site which the manufacturer may economically serve, there exists

- (1) a high level of local unemployment;
- (2) an underutilized timber manufacturing capacity; and
- (3) an underutilized allowable cut of state timber. (§ 4 ch 73 SLA 1978; am § 101 ch 6 SLA 1984; am §§ 33, 34 ch 152 SLA 1984)

NOTES TO DECISIONS

Quoted in *Southeast Alaska Conservation Council, Inc. v. State*, 665 P.2d 544 (Alaska 1983).

CHAPTER 71. TIMBER AND MATERIAL SALES

Article

1. Timber And Material Sale Procedures (11 AAC 71.010 — 11 AAC 71.045)
 2. Log Brands (11 AAC 71.500 — 11 AAC 71.590)

Article 1. Timber And Material Sale Procedures

Section

10. Timber and material sale offering

Section

15. Negotiated sales

11 AAC 71.010. TIMBER AND MATERIAL SALE OFFERING.

(a) The director will determine the location and approximate volumes of timber and of material to be made available for sale under this chapter.

(b) The director will include each proposed timber sale on the five year sale schedule in accordance with AS 38.05.113, unless that sale is exempt under (c) or (d) of this section.

(c) A timber sale negotiated under AS 38.05.115 is a small sale exempt from AS 38.05.113.

(d) An emergency sale is exempt from AS 38.05.113. An emergency sale is a sale of timber that the director finds must be made on a expedited basis to

(1) avoid loss of the market value of timber that has been damaged by fire, insect infestation, or an act of nature;

(2) avoid loss of the market value of timber that is threatened by insect infestation;

(3) create fire breaks;

(4) reduce fuel-loading of the forest; or

(5) reduce the spread of insect infestation.

(e) The division will offer timber or material sales on land selected by a municipality under AS 29.18.201 — 29.18.213 with the concurrence of the municipality. (Eff. 7/2/92, Register 83; am 3/25/93, Register 125)

Authority: AS 38.05.020

AS 38.05.111

AS 38.05.120

AS 38.05.110

AS 38.05.113

11 AAC 71.045. NEGOTIATED SALES. (a) A purchaser may enter into more than one negotiated timber or material sale contract with the division, so long as the total amount purchased within any 12-month period does not exceed the negotiated timber or material sale limits set by AS 38.05.115. The negotiated timber sale limit set by AS 38.05.115 does not apply to timber acquired under a log salvage license under 11 AAC 71.400 — 11 AAC 71.435.

(b) Notwithstanding the provisions of (a) of this section, the division will not enter into a negotiated sale contract with a person to whom the division has previously sold timber or material if the director determines that the contract will unfairly exclude from participation in the

sale of timber or material other interested persons to whom the division has not previously sold timber or material.

(c) The minimum price for a negotiated timber sale is the base price established by the director under 11 AAC 71.090.

(d) The director will establish a minimum deposit for a negotiated sale of more than 10 M.B.M. of timber or 100 cubic yards of material which the purchaser must make at the time the sale contract is entered into. The deposit will be at least five percent of the negotiated price and may be as much as 100 percent. A purchaser may make a deposit under this section in cash or by certified check, cashier's check, or money order.

(e) A negotiated sale, other than a timber sale negotiated under AS 38.05.118, or a sale under AS 38.05.115 to a lessee under AS 38.35, is for a period of time which may not exceed one year. The division will not grant an extension of time under this subsection. (Eff. 7/2/82, Register 93; am 8/23/87, Register 103; am 8/16/89, Register 111)

Authority: AS 38.05.020 AS 38.05.120 AS 38.35.020
 AS 38.05.115 AS 38.05.860

Article 5. Log Brands

Section	Section
500. Log brand	550. (Repealed)
510. Barged logs	560. Reservation of brands
520. Brand design	570. Registration upon transfer
530. Application requirements	580. Use of unregistered brand
540. Cancellation of registration	590. Notice of demand

Editor's notes. — Before Register 126, July 1993, the following Article 5, Log Brands (11 AAC 71.500 — 11 AAC 71.590) appeared as Article 4, Log Brands (11 AAC 95.700 — 11 AAC 95.790). As of Register 126, July 1993, this article was moved to 11 AAC 71 and each section was renumbered accordingly. The history note for each section continues to reflect the history of that section as it was originally adopted in 11 AAC 95.

11 AAC 71.500. LOG BRAND. In this chapter and in AS 45.50.210 — 45.50.325, "brand" means

- (1) a mark or other designation that has been registered with the department; or
- (2) an impression stamped on timber property with a branding hammer. (Eff. 2/15/81, Register 77)

Authority: AS 78.05.020 AS 45.50.315 AS 45.50.325

11 AAC 71.510. BARGED LOGS. Timber property transported by a self-dumping barge will be presumed, upon being loaded on the barge,

show proof that timber acquired by the person in previous personal-use sales was actually used in accordance with the terms of that sale.

(c) The purchaser is required to make payment in full of the total sale price in order for a contract to be executed for a personal-use sale.

(d) A negotiated personal-use sale is for a negotiated period of time which may not exceed one year. The division will not grant an extension of time under this subsection. (Eff. 7/2/82, Register 83)

Authority: AS 38.05.020
AS 38.05.115
AS 38.05.120

11 AAC 71.055. NEGOTIATED SALES UNDER AS 38.05.118. The division will negotiate with a person for a timber sale under AS 38.05.118 if the director determines that

(1) the rate of unemployment in the area in which the timber is located is at least 135 percent of the state-wide average rate of unemployment for the preceding 12-month period for which a statistical comparison is available;

(2) a permanent manufacturing facility exists in the area in which the timber is located with the capacity to process at least 50 percent more on a board-foot-per-day basis than the average daily production of the manufacturing facility during the three-year period immediately preceding the date of the sale; and

(3) an economically operable state timber resource exists in the area in which the timber is located and the state timber resource has the capacity to sustain a level of harvest on a sustained-yield basis which is at least 50 percent greater than the level of harvest of the state timber resource on the date of the sale. (Eff. 7/2/82, Register 83)

Authority: AS 38.05.020 AS 38.05.118
AS 38.05.115 AS 38.05.120

11 AAC 71.060. COMPETITIVE SALES. The division will conduct public oral outcry auctions for the competitive sale of timber or materials in accordance with the procedures established for land auctions by 11 AAC 67.045. If the division sells timber or materials by sealed bid, the sealed bids must be on bid forms furnished by the division, signed, and submitted as specified in the notice of sale. In the event of a tie in high sealed bids, the division will determine the successful bidder by lot. The division will reject a bid containing or submitted with a condition or qualification on or a material alteration of the terms as specified in the notice of sale, or which is otherwise not in accordance with law (Eff. 7/2/82, Register 83)



Fairbanks Industrial Development Corporation

TESTIMONY BY

Ronald L. Ricketts, Executive Director, Fairbanks Industrial Development
Corporation

TO

State House Resources Committee on House Bill No. 121, Salvage Timber Sales
attn: Co-Chairman Joe Green, Co-Chairman Bill Williams

Fairbanks, Alaska
February 7, 1995

I present this testimony on behalf of Fairbanks Industrial Development Corporation, which has as one of its corporate objectives the promotion of an environmentally sound forest industry in Interior Alaska.

Thank you for the opportunity to comment on House Bill 121. This bill is a wonderful opportunity to apply proper forest management techniques to fire damaged or infested timber stands in Alaska. The value of the bill lies in its ability to expedite the state's timber sale program for insect, diseased or fire damaged trees located on state lands, without compromising the public input or environmental processes.

After a forest unit has been significantly impacted by spruce beetles or fire, product value is substantially and irreversibly lost. Estimates show that after 2-4 years of infestation, spruce trees will have lost virtually all potential economic value for wood chips or local firewood market. The state's current management requirements establish a minimum 2 year period for the release of a salvage sale, forfeiting any retrievable economic value in that time frame.

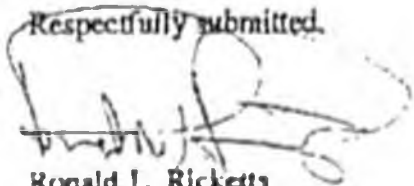
Statewide, the timber industry has already suffered substantially by the loss of many local manufacturers without enough wood to process. The amended bill would allow the Commissioner of the Department of Natural Resources to negotiate emergency salvage sales for timber that will lose substantial economic value. Furthermore, the bill provides the commissioner with the ability to negotiate salvage sales in the event that there exists, or will exist within two years a high level of local unemployment or an underutilized timber manufacturing capacity.

page2

This bill does not exempt salvage timber sales from public review. A standard 30 day review period would apply. This bill does not exempt timber sales from reforestation provisions of existing state law. Non-economic values of the forest are still required to be considered under Forest Land Use Plans for any salvage sale proposed under HB-121.

I strongly urge the approval of HB-121 as a forest management tool to help manage dead and dying forest land in Alaska.

Respectfully submitted,



Ronald L. Ricketts
Executive Director

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 Souter's decision to block a request for an emergency stay, Circle DE owner Dan Brown decided that his company could not risk scarce 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.

Serving Alaska for 20 years



Resource Development Council for Alaska, Inc.

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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

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

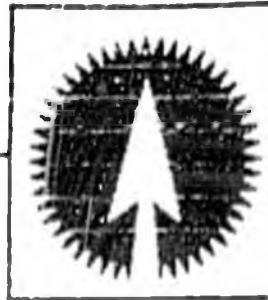
Time is a critical factor in harvesting dead or dying timber and reforesting infested stands. After an area has been infested by spruce bark beetles, there is irreversible loss of value to the timber. After two to four years of infestation, spruce stands will have lost nearly all of their potential economic 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 surrounding this issue.

Thank you.

Alaska Forest Association, Inc.



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KETCHIKAN, ALASKA 99901-6500
Phone 907-225-6114
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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 Hczar firm of Circle OZ, Inc. Circle OZ is a local forest products manufacturer who employs about 70 people, full time, in Homer, Ak. Circle 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 costs 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 "big-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.

Teleconference List

People that did not get to testify on HB121 on Monday 2/27

Cordova

Mr. Danny Carpenter
Mr. James Mykland
Mr. Karl Becker

Valdez

Mr. Matt Kinney

Mat-Su

Ms. Dori McDannold
Ms. Kris Balliet

Fairbanks

Ms. Mary Shields - (1) *at the time of the hearing*
Mr. Roger Siglin
Mr. Richard McCafferey
Ms. Marie Beaver
Mr. Larry Paquin
Mr. Sean McGuire

Homer

Mr. Willy Dunne
Mr. R.W. Tyler
Mr. Larry Smith
Ms. Nina Faust
Mr. Ed Bailey
Ms. Linda Feiler

Ketchikan

Mr. Eric Muench
Ms. Sandra Meske
Ms. Margaret Ciabby
Mr. Cliff Skillings

SENATE RESOURCES HEARING
ON
HBO 121 - FEBRUARY 27, 1995

Good afternoon Mr. Chairman and members of the Senate Resources committee thank you for this opportunity to offer testimony in support of House Bill 121. My name is Ronald R. Wolfe, and I am Chief Forester of Klukwan Forest Products, Inc., and I live here in Juneau at 9466 Brady Place.

This bill is a necessary tool for the Commissioner of Natural Resources to deal with bark beetles, wildfire, and other destructive agents of the forest by salvaging timber that has been killed by these agents, or is threatened to be killed in the near term. As a forester I can assure you that none of these agents respect administrative process, no matter how much some people want it. This legislation simply recognizes the realities of the forest.

The need for this legislation is evidenced by recent state timber: the timber in one sale was so degraded by bark beetle infestation that it wasn't economic to operate at all; and on another sale the revenues the state will receive in the form of stumpage payments will be well below what it would have received had the timber been sold earlier before it was so hit with bark beetles. Precious time was lost due to administrative requirements requiring that the sales be advertised for two consecutive years on the state's five year timber schedule.

This bill is good because in addition to giving the commissioner a much needed tool, it would not do so at the expense of good public policy. It would retain the provisions currently in law that the commissioner make a written finding that the disposal will serve the best interests of the state.

As someone who participated extensively in the Forest Practices Act Review several Years ago, I can say that this bill is consistent with that review, as page 43 of what's known as the "Green Book" shows. The Green Book is basically the report of the first set of steering and technical committee meetings.

In closing, I urge swift passage of this bill.

Thank you.

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.

HOUSE BILL NO. 121: SALVAGE TIMBER SALES

An Act relating to the timber resources within the state.

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. Essentially it gives the Commissioner of DNR the power to negotiate timber sales quicker than the normal 5-10 year process. HB 121 would enable timber sale access within 2 years.

There is substantial 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 on location, are that about 2-4 years after infestation, standing spruce will have lost virtually all potential economic value except for wood chips, or local fire wood.

The Bill DOES NOT override the public process. There would be the standard review period (30 days) required for all state timber sales.

Some opponents to this bill 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. For the vast majority of infested lands, 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.

POINTS TO CONSIDER: HB 121 helps Alaska and Alaskans by:

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 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 the state to defend against huge changes in the landscape without some effort to preserve established habitat and existing forest values.

One million acres under infestation now -- and growing at increasing rate. It is estimated 20 million Alaskan trees were killed by the beetle last year. Healthy forest values have already been lost on over 50% of the productive forest land on Western Kenai Peninsula. Haines State forests have 14,000 acres of beetle infested forest. Haines has a high rate of unemployment.

TESTIMONY BY

Shawn Richardson, Private Citizen, Ketchikan, AK

TESTIMONY BY

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

BEFORE

State Senate Resources Committee on House Bill 121, Salvage Timber Sales

Ketchikan, Alaska

February 27, 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 fiare 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 siltl very much a part of the sale offering process.

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

Thank you.

Trustees for ALASKA

A Non-Profit, Public Interest, Environmental Law Firm

TO: **Suicide Force Network**

FROM: **Silviana De La Hunk, staff attorney / KRIS BAKER, MAT-SO VALLEY**

RE: **Initial review of House Bill No. 121**

DATE: **3 February 1995 / 24 February**

~~As indicated in this memorandum to the staff of House Bill 121, the bill was drafted by the Alaska Board of Forestry.~~ In a proposed piece of legislation only one and one-half pages in length, sponsors Williams et al attempt to give the DNR commissioner the power to ignore constitutional and statutory sustained yield and multiple use provisions. In essence, H.B. 121 would allow DNR to key components of the Forest Resource and Practices Act, AS 41.17.010 - .950 ("PPA") and the forest land planning provisions in Alaska Statutes Title 38. Like proposed H.B. 16, this bill would lessen current requirements to inform the public of management decisions, thus limiting meaningful public participation.

Just as is true with H.B. 121, forest users, including loggers, committed to multiple use of state lands will likely find this proposed legislation unacceptable. In addition, the proposed legislation may be unconstitutional violations of Article VIII sustained yield provisions.

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COMMENTS

This new provision in Title 38 would exempt anything DNR labels a "salvage sale" from critical components of the PPA, including the requirement to plan sales in advance, and to adhere to principles of multiple use and sustained yield. Among other things, this amendment would allow DNR to sell as much timber as it desires to a single buyer (current law limits DNR to one salvage sale annually to the same purchaser) and would allow such sales to exceed 500,000 board foot per year. (As a comparison, Ketchikan State Forested lands yield approximately 5,000 board feet per acre.) Because existing law does not define "salvage," DNR would have a wide latitude to include standing live trees in the areas to be sold under this proposed provision. Since the new action would allow DNR to skip inclusion of the sale in the existing timber planning process, public comment would be greatly limited.

As the AEL memo noted, this provision would grant the DNR commissioner crystal-ball powers. The commissioner could negotiate a 25 year timber contract without fully adhering to multiple-use and sustained yield requirements any time she or he decides that "within two years" there will be a combination of a high level of local unemployment, a sawmill or other processing plant that will run out of timber to cut (as was the case with the Sitka Mill) and an "unforeseen" forest available for cutting. The provision would not

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bind the commissioner to any written set of criteria in her or his forestry
scrutiny.

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This provision would, among other things, allow DNR to automatically assume that insect, disease, or fire damaged trees have lost value. This is a significant change from existing law, which requires DNR to consider factors other than economic value when deciding whether to sell timber rights. Again, public input would be limited, and criteria limiting DNR's discretion are essentially non-existent.

3/94

P 1

My name is Larry Smith. My address is 1520 Lakeshore Drive, Homer, Alaska 99603. I have been a spruce carpenter, joiner and designer in the Cook Inlet lowlands for 35 years. I chair the Forest Resources Working Group for the Kachemak Resource Institute of which I am the executive secretary. Before statehood I fought wildfires in Kenai Peninsula forests and soon after cleared seismic lines. I have been using forest products from Peninsula sawmills since 1959 and, for the last 25 years been almost exclusively designing and building structures built from the product of more than two dozen local sawmills. I owned and operated my own sawmill for six years here. I am wholly dependent on the consistent supply of high quality local, forest products for my livelihood. I build for my neighbors in the fishing and recreational and service businesses. I depend on them in their subsistence/personal use activities and in their cash employment to make a good enough living from the sustained yield of wildlife and fish to be able to afford to hire me to design and build their houses, shops and lodges.

My experience has been that the periodic intrusion of value-subtracted chip exporting, and round log and cant exporting has put local sawmills out of business. The last time it happened I had to buy and operate a mill to produce my own building material. The cumulative effect of private, university and state timber sales, at the present level will drastically reduce forest products availability within a few years. (See Kenai Peninsula Borough, Economic Development District inventory of commercial timber showing 215,000 acres of commercial forest land in all ownerships three years ago and records of the Division of Forestry showing the rate of harvest at more than ten times sustained yield or an average of more than 10% harvested annually in a forest with a rotation of 100 to 150 years.)

As to the sky falling because of the weight of bark beetles I have some experience. In 1959 I helped spread beetles by participating in the sloppy clearing of seismic lines for oil exploration which we layed out in a way that a federal Forest Pest Management entomologist was later to describe as the ideal way to form bark beetles: clearing lines at regular intervals in a grid pattern and leaving all the downed spruce as incubators. By 1978 I was organizing public forums about beetle problems for the Kachemak Bay Subsistence Group and the Homer Fish and Game Advisory Committee, bringing together experts from the several governments with local residents. I have continued to deal with the beetle through the Forest Resources Working Group in Homer. The working group was the key player in the bark beetle controls amendments in the clearing standards in the 1990 forest practices act revisions. The group supported my efforts when I served at the request of the Cowper administration on the Alaska Forest Practices Act Review Steering Committee that worked two years to hammer out the consensus between forest users, consumptive and non-consumptive, and government that was the basis for 1990 reform

3/94
PZ

legislation. The group was an important support to my service for the Hickel administration on its Advisory Panel for the Five Year Schedule of Timber Sales for the Kenai-Kodiak Area. This group, made up of biologists, loggers, fishermen, sawmillers, foresters, carpenters and others also conducts educational forums from here to Anchorage, for other groups, the general public and for schools. Our focus has often been on increasing knowledge about the bark beetle, reforestation, fish and wildlife seasonal shelter, forage, reproduction and survival, and the importance of a sustained yield of these replenishable resources to the mixed subsistence/personal use/commercial economic system.

I also chaired the Bradley Lake Hydroelectric Project Steering Committee organized by the Alaska Power Authority and the City of Homer. In that role I was instrumental in the operation to clear up beetle problems caused by sloppy geotechnical preparatory work in a manner that created employment for local loggers, cat skimmers, and sawyers and on-site source of beams for the construction of dam-related facilities.

Genny Smith
Homer 735 3855

2/23/95

Re: FOREST RESOURCES POLICY

To: Governor Knowles

From: Larry Smith, 1520
Lakeshore Drive, Homer

Dear Tony Knowles;

It is my opinion that, with the exception of a few of the raw material exporters, Alaskans believe in four basic principles for the use of forest resources:

- 1) The high value of forest resources such as clean water, fish and wildlife habitat, and recreation must be emphasized in state management, research and planning.
- 2) Cumulative impacts assessment of development activities on all proximate land ownerships is essential to the sustained yield of forest resources: fish, wildlife, recreation and timber.
- 3) The timber component should be conservatively managed to assure permanent sustained yield on a stand by stand basis.
- 4) The state should not subsidize logging in any way: not by reforestation forgiveness, not by allowing buffer logging, not by turning a blind eye to clearing or other standards violations. And not by conducting sales that do not return a profit to the state. The full costs of sale administration to all state agencies including contract work, reforestation, reclamation, mitigation and oversight, plus 10% should be the minimum price for state timber.

In my view state management has not been significantly based on any of these and, has steadily eroded residents confidence in the honesty and good administrative will of DNR. I believe public confidence in DNR to be at an all time low in the Kenai Peninsula Borough.

The state has been partly responsible for compounding public fears about beetle infestations, and has guaranteed development loans based on value-subtracted log-chipping as a cure. The direction and the budget of the so-called Forest Health Initiative was given not to an ecologist or entomologist, but to a salesman from the Department of Commerce. Forest Health Working Groups were put on stage for window dressing. Export industry advocates were paid for reports touting export logging as forest salvation. On the Kenai Peninsula where the people/beetle interface has been dealt with for the last twenty-five years, and before that at the turn of the century, attitudes have steadily shifted from inflated fears of wildfire and an expectation of profit from timber salvage; to a recognition that raw export jobs are mostly at the bottom of the pay-scale, and that ballyhooed benefits to reforestation are not believable enough to subsidize, that fast-moving wildfires are the result of dry understory vegetation which is more plentiful after logging than

Page Two

under standing deadwood. Existing new spruce growth which is attractive to neither beetles or loggers is abundant in various age classes in infested areas, and is the perpetual source of forest renewal. Much, and at times most, of this new growth will be incidentally killed by logging and scarification which means additional expense to the state which has assumed degrees of responsibility and expense for reforestation of state sales ranging from 50 to 100%. Killing the 70 year old and younger component is part of a "by-catch" that also affects a full-range of browse and cover species for wildlife. It is the incidental take of logging. A by-trashing of the young forest

The DNR Commissioner's Kenai Peninsula resident advisory panel for timber sales, and the KPB Assembly have communicated by the panel report that logging which minimizes adverse effects on other resources and activities, lets locals profit by manufacture, and guarantees reforestation is worth having but, only if it also pays its own way, all the way to market. The very definition of merchantability. People believe that the woods will thrive again without intervention, just as after infestations past. The Kenai National Wildlife Refuge manages forest land on the theory that infestations play the wide-scale disturbance role in some eco-systems that wildfire plays in others, and is therefore an important component of forest-health and not a condition that requires treatment.

In the forested regions of Alaska, co-operative relationships between neighbors have been diminished by the partnership of raw resource exporters with state government. Indeed, on the Kenai, residents are partnering with big city environmentalists, for the first time, in a last ditch attempt to keep the riches of the borough from being whisked off to an insatiable overseas fiber market. State and private forests can support in-state consumption for a very long time. How much more than that can be logged is a matter to discuss. The discussion should focus on making end-products first. An honest calculation of high value sustainable exports could follow, if there is a part of the allowable cut left over.

I believe that interest groups on the Kenai Peninsula such as unemployed Seward sawmill workers, commercial fishing, sportsmen's and environmental groups, local sawmillers and spruce builders and local government are in agreement that the current export frenzy creates short-lived, low-paying jobs at the expense of a greater number of permanent better ones. It looks to me like the attraction of large numbers of unemployed forest products workers from outside will continue to depress wages and increase public assistance demand as long as the export boom lasts.

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The motive for timber bills moving through the legislature is somewhat obscure. The state already has emergency timber sale law and regulation. In no area of the state are large infestations sudden. All of the Kenai commercial forest land has already been listed two years in the five year schedule, the provision proposed for deletion in House Bill 121. Listing in two adjacent years in a five year schedule is the requirement. That requirement can be met in substantially less time than the resource agencies can budget for and perform the field work to protect water quality, fish, wildlife, recreation, and other existing uses; or the lead time to design prescriptions to minimize the negative effects of logging and maximize restoration of the forest mosaic. It was, after all, DNR, DEC and DFG that advised the Alaska Forest Practices Act Review Steering Committee that two years was needed to procure appropriations necessary for sale preparations .

Unless the present legislation is amended to provide a minimum of \$500 an acre upfront for sale design and reforestation we may come to regret inadequate protection of forest resources and repeat the historic failure to regrow trees on logged lands of the state. Another amendment should make these sales available to local manufacturing by separating them in time and space, and keeping them under 250,000 board feet. Twelve state sales were held on the Kenai in the last year (One negotiated.) All went to the three principal exporting companies. Looked at nationally these companies fit the definition of small operators because they have fewer than five hundred employees. Looked at locally not even the largest value added sawmiller had a chance at these trees. Small sales were lumped together down a road that required a million dollar insurance policy and went to the same exporters as the larger sales. These same exporters also annually take two and a half times as many acres of trees from adjacent university and private lands as the acres taken annually in the Tongass. Which suggests an amendment requiring an assessment of cumulative effects is also appropriate. An amendment providing incentives for avoiding the by-taking of residual trees is important for the quickest replacement of mature trees. Perhaps most important of all is an amendment requiring the agency to calculate sustained yield on a scientific basis. At present timber sales in a single watershed are calculated against the total commercial forest land of the Kenai Peninsula and its associated islands. A method that denudes forested wetlands while piously claiming to meet sustained yield requirements. Another amendment should forbid below cost timber sales. Wanton waste of trees cleared for large conversions like transmission line and road right-of-ways has been an ideal habitat for the propagation of bark beetles. Beetle-heaven is downed timber. Another amendment should tighten beetle-fighting clearing standards which are among other unused

Page Four

infestation control measures in the 1990 revisions to the Forest Practices Act. Better direction should also be given DNR on the need to treat all regions equally in regard to limiting logging encouraged infestations. At present, anyplace south of a line running lengthwise down the middle of the Kenai (Region I) is not mandated for clearing standards; that is Homer but not Seldovia, Moose Pass but not Seward and all of Alaska south.

I believe it is time for your administration to take positions on this legislation. In another week you may be too late to work with the legislature. There is only the Senate Resources committee to go and it meets on Monday, February 27th at 3:30 to consider HB 121. At the very least you should consider the absence of a fiscal note. A cursory review will reveal that the Kenai salvage sales just held have cost us hundreds of thousands more than we will be paid for the timber.

Well, I won't hammer on this much more, but as a spruce builder since territorial days I can tell you that although dead trees lose value for the gross export market and some lumber sizes, they increase in value for log and timberframe structures and for furniture and finish work. Consuming beetle or fire kill gradually may mean some of it falls over before you get to it, but what we use is worth ten times as much in the local economy. We have a thriving bunch of small manufacturers now. We've had them before. This is the third time since statehood that the export market has been the thief of jobs. That's right exports have also closed sawmills right here, and quite smartly every time exports really get rolling. It either happens as a natural by-product of market pressures or when exporters sue the state as when South-Central Timber Development Inc. beat Alaska in the U.S. Supreme Court in 1984 and not only sunk the primary processing requirement but towed many small sawmills under because they had been attached to cont exports by need and by S-C Timber's persuasion.

Governor, I'd like to invite you and Commissioner Shively to spend a day with us this spring. We'll take you on an overflight, on a walk in the woods and to an all interests panel discussion to give you a handle on the changes in the character and condition of the eco-system and the community brought on by beetles and logging. As Governor Hammond liked to point out, the words economy and ecology have a common root and the subjects need to be studied together. Indeed the constitution twins conservation and development. The purpose of conservation is to assure sustained use for human purposes. Profitable use is not long possible without the most serious attention to conservation. If we are to work together we need to rub out monocular politics. Ancient oekos or modern econology should be our watchwords.

Income from trees is a quarter of the sale cost

by Doug Loshbaugh
Staff Writer

State officials expect to receive \$20,142 for trees in a timber sale on Kalgin Island in the central Cook Inlet that they paid \$78,000 to design. But making money isn't the main goal anyway, the officials said.

Marty Welbourn, deputy director of the Alaska Division of Forestry, said the state is trying to salvage beetle-killed timber to produce wood products and create jobs. Forestry expects loggers and the businesses that serve them will pump \$11.5 million through the economy. That's not a bad return on the state's \$78,000 investment, said Area Forester Jim Peterson.

"The other goal is to get healthy timber back," Welbourn said, adding that the \$20,142 will defray the costs of getting rid of the beetle-killed trees. But not everyone agrees with that strategy.

"I'm not against all logging. But this is just to subsidize the profits of a few large timber companies," said Theo Matthews, who represented commercial fishermen on a Kenai Peninsula timber sale task force. Harry Noah, commissioner of the Department of Natural Resources, put together the task force last year to advise him on the state's controversial schedule for Peninsula timber sales.

The task force recommended that the state refrain from subsidizing the sales. Matthews said Forestry seems to be ignoring that recommendation completely.

"It seems to me they are in a panic to get a bunch of sales done before Hickel leaves," he said, referring to Gov. Walter Hickel leaving his office after a new governor is sworn in in December.

Kenai Peninsula Borough Mayor Don Gilman, who chaired the task force, said it's clear the state is ignoring the task force's stance against subsidized sales.

"I kept telling people last year, this task force report and a dollar will get you a cup of coffee anywhere. This was just an exercise so the state could say they'd gone through an exercise," he said.

Peterson said that after the task force recommendation, Noah promised only that loggers would pay the costs of roads, removing the trees and reforestation. Besides, the task force said the state shouldn't pay sale costs unless "another source" of funding is found, he said.

The \$78,000 the state paid Klukwan Forest Products to design the sale came from a state capital-improvement appropriation, he said, and that was another source.

The preliminary decision to hold the sale, written by Peterson, says the state will sell 7.4 million board feet from 1,138 acres on Kalgin Island. He wrote that 90 percent of the trees are infested with spruce bark beetles.

As the dead trees fall, Peterson said the grass will grow and choke out new seedlings. Loggers would be required to turn up the soil in some areas to encourage spruce seedlings to sprout. In others, they'd have to replant, he said.

Under Peterson's proposal, logging would be banned within 1,000 feet of commercial setnet sites on the island and within 300 feet of Packers Creek and Packers Creek Lake, which produce salmon and trout.

Matthews, however, said leaving the beetle-killed trees won't hurt anyone. On the other hand, poor logging practices have done terrible damage to salmon in the Pacific Northwest.

Copies of Peterson's proposal are available at the Homer and Ninilchik public libraries or by calling Forestry at 262-4124. Comments are due by Oct. 19 at the Alaska Division of Forestry, Kenai-Kodiak Area,

Forestry has sale and no one comes

by Doug Loshbaugh
Staff Writer

State foresters held the controversial Kalgin Island timber sale Friday, but no one wanted to buy the trees.

The sale came after a state judge refused to block the sale.

Critics of the state's logging plans for the Kenai Peninsula had warned that the sale of 1,38 acres of trees on Kalgin Island, west of Soldotna in Cook Inlet, might draw no bidders.

A private company the state hired to help prepare the sale estimated a logger would spend \$4.6 million to remove \$2.3 million in timber. In addition, the state expected the logger to pay \$455,000 in reforestation costs, which would have sped the regrowth of trees killed by the spruce bark beetle on the island.

Jim Peterson, area forester for the state Division of Forestry in Soldotna, said that despite the apparently bleak economic outlook, Circle DE Pacific Corp. and Star Timber Co., both based in Anchorage, expressed continued interest.

The sale would have created jobs and circulate \$2.9 million to \$4.1 million through the state's economy, he said.

Critics appealed unsuccessfully to the commissioner of the Department of Natural Resources last fall to halt the Kalgin sale. More recently, they asked the court for an emergency stay, but Anchorage Superior Court Judge Milton Souzer denied the stay last week.

Souzer, however, ordered Forestry to read a warning to potential buyers that the ongoing legal challenge could eventually block logging on the Kalgin site, said Tom Boutin, state forester.

Dan Brown, Circle DE's president, said his company decided not to bid because

the legal cloud made it too risky to invest in the sale — already a marginal proposition.

Brown said that when state officials first proposed the Kalgin sale, they said it would be 50 million board feet of timber. Later, they reduced it to 45 million, then after a company was hired to design the sale, it was slashed to 7.4 million.

Brown said the logger will still have to build a \$891,000 facility to load logs onto the ships. With that, plus less trees, Brown said it'd cost six times as much to extract each 1,000 board feet as it would have originally.

"To start work with a marginal opportunity and then hassle with people that want to file lawsuits — life is too short," he said. "That's not good for survival for a company that wants to make money."

Meanwhile, Brown said, the threat of legal action will make it more difficult for loggers to bid on other state sales, such as the 3,420-acre Falls Creek timber sale along the Ninilchik River, slated for Feb. 7.

Boutin said it's common for state sales to draw no bidders. But within a month of a failed auction, the state can sell the timber over-the-counter for what it set as the minimum bid — \$20,142 in the Kalgin sale case. He added that most failed state sales proceed that way or are offered again.

He said the state is very interested in selling the Kalgin timber to help speed reforestation in the wake of the beetle epidemic. Boutin said Alaska doesn't generally pay for reforestation in areas that haven't been logged.

Homer resident Larry Smith, who has joined a coalition of environmental and fishing groups in challenging the Kalgin sale, said the money Forestry spent preparing the Kalgin sale would have gone a long way toward reforesting the island with no logging at all.

Oil-drilling task force first, meets at Bic

by Hal Spence
Staff Writer

A task force of Alaska coastal community members, environmentalists, fishermen and others will hold a public meeting in Homer on Saturday to hash out recommendations to the federal government on oil drilling on the Outer Continental Shelf.

The so-called "Stakeholders' Task Force" is the first of its kind anywhere in the country and could be the precursor to such groups in other states.

The task force is an experiment that allows the public to influence federal oil and gas leasing decisions early in the process of writing federal five-year leasing plans, said Don Gilman, Kenai Peninsula Borough mayor and a task force member.

The federal Outer Continental Shelf Policy Council OK'd the formation of Alaska task force, after urging from several coastal community leaders including Gilman at a meeting in Virginia in November.

"Essentially, they said 'you guys are damned smart, see what you can do,'" Gilman said.

That group must make recommendations to the council by April on oil-exploration issues. A regional subgroup of that committee will hold the public meeting in Homer, Saturday from 9 a.m. to 4 p.m. at the Best Western Bidarka Inn.

Among the issues to be discussed is what happens to federal shared revenues derived from offshore drilling.

Gilman said Alaska coastal communities close to waters tapped by oil and gas developers following federal oil and gas lease sales should get a piece of the oil revenue. Uncle Sam shares with the state.

However, under current law, coastal state governments get that money. Local commu-

Rings of knowledge

Researcher Eric Meester, at right, cuts samples from stumps in a West Hill Road clearcut last week in a project to study the importance of fire and spruce bark beetles in the history of Kenai Peninsula forests.

The spruce tree, whose cross section is pictured below, sprouted about 1746 — year "0" in the photo. Shaded by the mature forest, it grew to a diameter of just 2 1/2 inches in 140 years.

Then beetles killed the forest canopy. Just 35 years later, at age 175 in the photo, the tree's size had more than doubled. By 1966, beyond the edge of the photo, it measured 14 inches in diameter. It was cut last spring at the age of roughly 248 years.



Photo by David Couchbrough

Tree rings give clues that beetle-kills came years ago

by Doug Loshbaugh
Staff Writer

A federal biologist counting tree rings in a Homer clearcut last week thinks he's found evidence that beetles have swept the Peninsula in the past, and that the forest has recovered.

The U.S. Fish & Wildlife Service study doesn't deal with the value judgment of whether beetle-killed trees should be logged, said project leader Ed Berg of the Kenai National Wildlife Refuge in Soldotna.

"But it does show that there can be a severe, canopy-thinning event, and mature spruce forest will grow back in 100 years," Berg said.

That contrasts with the view of some state and federal foresters that the present

epidemic of spruce bark beetles could transform local forests to permanent grassland — a view foresters have used to justify timber sales they say will help pay for soil preparation or replanting to speed regrowth.

"Blue joint grass quickly establishes itself in stands killed by spruce beetle," wrote Jim Peterson, area forester for the Alaska Division of Forestry in Soldotna, in his preliminary decision to proceed with the 3,420-acre Falls Creek sale in the upper Ninilchik River drainage. "Because this grass lowers the soil temperature and is such an aggressive competitor, it inhibits the regeneration of both tree seedlings and browse species. One study indicates that even after 11 years, no natural tree or browse regenera-

See SPRUCE TREES, Page 18A

... Spruce trees may grow back in 100 years after beetle-kills

FROM PAGE 1A
tion has occurred."

Berg said he's familiar with that study. The difference in conclusions is one of perspective, he said.

"I guess I see it on a larger time scale than they do," Berg said. "They are looking at how well do trees regenerate in 20 or 30 years. It's certainly true that grass can form a tight mat that makes it tough for spruce to regenerate."

A mature forest often includes some small saplings, he said. Those are often shaded and prevented from growing for 100 years or more by the canopy of large trees. When beetles kill the canopy, those small trees survive and grow to form a new canopy. Berg said that's not like a clearcut or a fire, where the entire forest is swept away.

Ed Holsten, the U.S. Forest Service entomologist who did the study Peterson cited, said the problem is that some stands contain no young trees. Then beetles may kill 90 percent of the forest — and grass will take over.

"He (Berg) is saying beetles killed some of the trees, and what was left continued to grow," Holsten said. "There's no problem with that, but it has nothing to do with grass. We're saying that if beetles kill the whole stand or the majority, there's not going to be any new trees. Grass will occupy the site."

Holsten's study followed a site beetles attacked near Hope. The beetles killed all the mature spruce, but the small trees — about half the stand — survived. The trees that are left will grow, he said. But grass has taken over the intervening land. In 11 years, not one spruce seedling has sprouted.

"You won't get new trees unless some disturbance wipes out the grass," Holsten said.

Pressed further, Holsten said it's possible blow-downs will disturb the soil and allow seedlings to sprout. Or, he said, the remaining trees may shade out some of the grass, allowing new seedlings to start.

Berg supports his view with preliminary observations of tree rings Fish & Wildlife has

sampled from Anchor Point to Cooper Landing. Last week, Fish & Wildlife workers joined Homer High School students in sampling every stump in the 4.5-acres of the clearcut at the foot of West Hill Road in Homer.

He thinks many of the mature trees cut by West Hill Road last spring were formerly stunted by a mature forest for 100 years or more — until a beetle epidemic around 1890 allowed light to reach them. Then they grew quickly until they began to shade each other and growth slowed again.

For example, one tree researchers sampled at West Hill sprouted about 1746. By 1886 — at the age of 140 years — it measured just 2 1/2 inches in diameter. Then, Berg believes, beetles killed the older trees that shaded it. The sapling began an 80-year growth spurt, reaching a diameter of nearly 14 inches by 1966. But as it matured, its neighbors began to shade it. The tree grew little more than a half inch in diameter over the final 28 years before it was cut this spring at the age of 248.

Berg believes beetles decimated the West Hill canopy roughly between 1884 and 1889. At sites from Anchor Point to Cooper Landing, the beetles apparently came later, roughly from 1905 to 1910. A researcher at the University of Arizona will soon make more detailed studies of the tree rings Berg and his co-workers collected. That will likely broaden the dates of the beetle epidemic, Berg said.

When the study began, he expected to map the occurrence of fire-scarred trees to plot the locations old fires. But while there are layers of charcoal over mineral soil across much of the Peninsula, the only fire-scarred trees seem to be at the margins of fires. Berg said it appears that fire kills everything — the stunted saplings as well as the canopy. So, he said, it can't be fire that set stunted growing saplings between 1890 and 1910.

Logging could have opened the canopy in some areas. But Berg doesn't think that was the case at West Hill, because he found no traces of old cut stumps. Cut stumps are still

visible on survey lines cleared here in 1919, he said. Similarly, he found no traces of a blow-down that could have set stunted saplings growing. Nor does he know of any diseases that would open the canopy over broad areas. So spruce bark beetles are the most likely culprit, he said.

Berg may be able to check his conclusions with a pilot study of lake sediments Fish & Wildlife plans this winter. Some small lakes put down annual layers of sediment similar to tree rings, he said. Fish & Wildlife expects to bring researchers from Duke University in Durham, N.C., and Northern Arizona University in Flagstaff who will sample lake sediments in the Swanson River area. Those may reveal layers of charcoal or bark beetle body parts that could be used to date fires or beetle outbreaks. But it's a long shot that beetle parts would be preserved in the lake mud for a century, he said.

Peterson said it's difficult to judge Berg's observations without being familiar with the sites he studied. A large population of 70-year-old trees, 2 inches to 10 inches in diameter, exists in present-day Peninsula forests, he said, adding that Berg's ideas suggest those 70-year-old trees could grow if released from shading by the canopy.

"That's one thing we want to protect, is that 70-year-old component," Peterson said. "We're hopeful that exactly what Ed's talking about will happen."

On the other hand, beetles kill trees down to 6 inches in diameter, he said. One reason for logging the canopy is to reduce the number of beetles available to attack the smaller trees. And in grassy areas, it can take a long time for young spruce trees to escape.

Berg said there's nothing unique about the present beetle outbreak. Nor does he think it will convert the entire Peninsula to grassland. Beetles kill trees in patches, but some stands survive, he said.

Nina Faust is president of the Kachemak Bay Conservation Society, a group that has joined in recent appeals designed to halt sev-

eral controversial state timber sales on the Kenai Peninsula. She said she's seen spruce trees escape the grass in fields in and around her own back yard. Even if the beetles do convert some forest to grassland, that's not bad, Faust said. For example, the land atop the Homer bluffs is a mosaic of grassland and forest — and such varied habitat is good for wildlife. Moose visit fields in the spring to munch newly sprouted grass, she said.

Berg agreed that some species depend on varied habitat. Moose, for example, won't enter open areas beyond a certain size.

"They want to be close enough that they can head for the woods if they need to," Berg said. "If there is a one-mile-square clear-cut, they won't go out into the middle of it."

Many birds — such as grosbeaks, chickadees and kinglets — reside on the border between forest and grassland, he said.

Holsten said dealing with the beetle outbreak is complicated. Grass is a problem in some areas, but not in others, he said.

"It's not cut-and-dry," he said. "That's why one group can take one side and be partially correct, and the other group can take the other side and be partially correct. The truth lies somewhere in the middle. That's what makes the beetles so controversial."

Faust said she doesn't like cutting 250-year-old trees.

"It takes so long for them to get that big," she said. "I've got some on my property that I would never dream of cutting."

Some loggers, however, see no problem with cutting old trees. The Native corporations that own land Koonce Forest Products is logging on Afognak Island manage the area as a tree farm, said Koonce president John Sturgeon.

"We view it as harvesting an over-mature crop," Sturgeon said. "If you let it sit too long, it rots. Then it's no good for human use."

Certainly old-growth forest is appropriate in some areas, Sturgeon said.

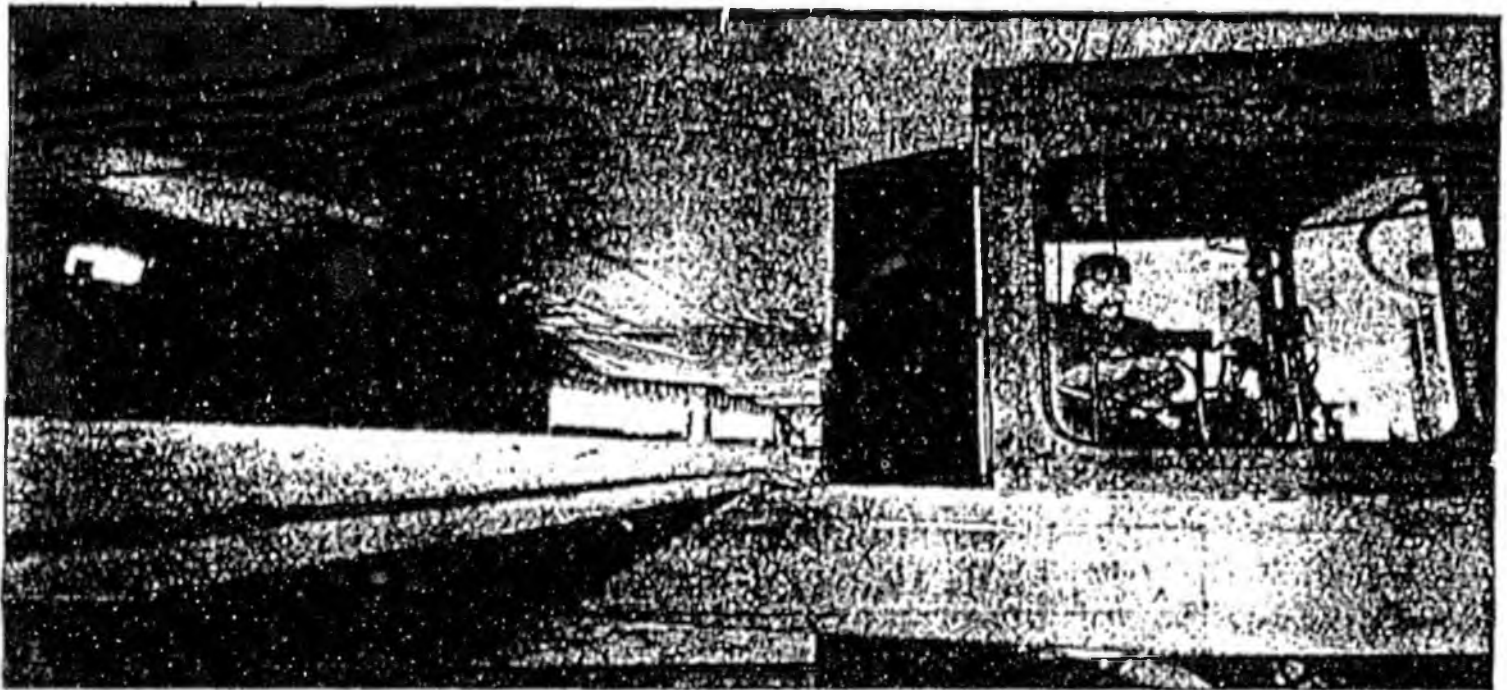
"But with 250 million people in the United States, if you consider every place to be unique, soon there will be nothing to build houses with," he said.

PHOTO BY GUY WOOD

PENINSULA CLARION

FRIDAY - SUNDAY, JANUARY 27 - 29, 1995 Soldotna/Kenai, Alaska

50 cent



Photos by Mason Marsh

Above, Gale Jorgensen works inside of a control booth on saw equipment he and his father, Wan, are adding to their Niklax mill. The two are taking ambitious steps to build up their business, but they say the Borough and state governments aren't doing enough to support their small enterprise. And below, Paul Hollingdale uses a torch to remove one of the mounts from an old piece of equipment so a new concrete floor can be poured at the sawmill.

Sawmill says it just wants fair shake

Owners say big guys...
winning timber sales

By **TONY LEWIS**
Peninsula Clarion

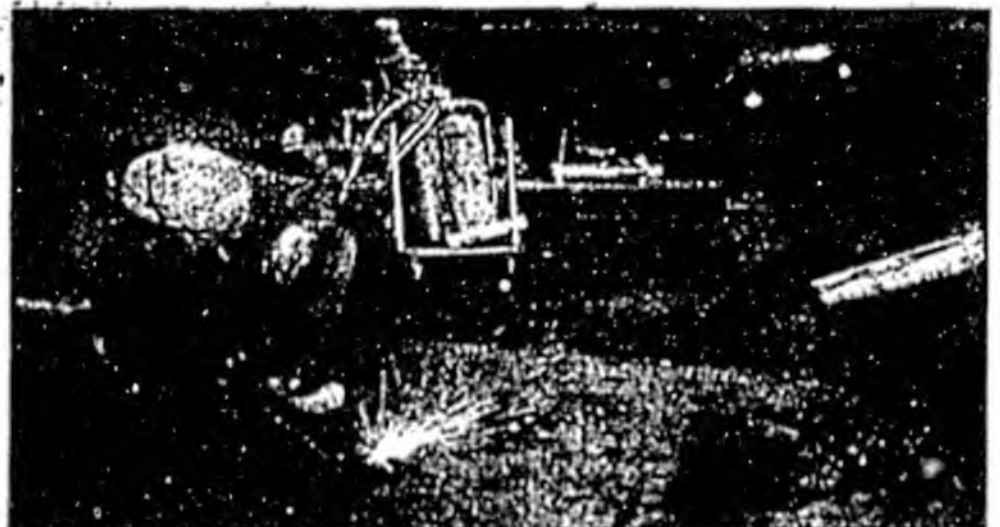
Owners of a Niklax sawmill say they are throwing away business and may not be able to expand their small mill because the borough and state aren't providing enough timber for small wood-products operations.

Wan Jorgenson and his son Gale Jorgenson, owners of Spruce Works in Niklax, say they are poised to triple the size of their mill from five to 15 employees but don't have enough logs to feed their saw blades.

"There is no wood-products industry here, and if you're going to have that industry you need to have the resources," the elder Jorgenson said.

What frustrates the Jorgensons most is they see the resource all around them but can't get at it.

The borough has stalled on opening up its lands to logging, they say, and the state caters more to big industry. And the Jorgensons are infuriated to see trees harvested from state land on the peninsula



being shipped as raw logs to foreign markets or being chipped up for use as pulp.

"The simple fact is there is some logging activity ... but most of it is going toward chips," the younger Jorgenson said.

The Jorgensons are now feeding their mill with logs from private land in the

Niilchik area. They say they can't compete in a bidding war with the bigger companies for timber on the larger tracts of public land, and they want more small tracts to be made available.

State and borough officials say they are

See **SAWMILL**, back page

16 Peninsula Clarion, January 27, 1995

...Sawmill

Continued from page 1

trying to meet the needs of small wood-products businesses like Spruce Works.

Jim Peterson, who manages timber sales on the peninsula for the Alaska Division of Forestry, said the state scheduled nine small timber sales on the peninsula this fiscal year, and so far eight have sold. Another nine small sales are planned for next year.

"We do have a balance between what we think are large sales and small sales," Peterson said.

As far as banning the export of raw logs cut on state lands, Peterson said the state can't do that. A U.S. Supreme Court decision in the late 1970s prohibits states and municipalities from imposing such restrictions on its timber resources, Peterson said.

Kenai Peninsula Borough Mayor Don Gilman said there are about a handful of small mill own-

ers on the peninsula that are interested in a steady supply of timber.

But big buyers are also knocking on the door of the borough's timber supervisor, John Mohorcich.

"It's hard to restrict the sale of this timber to certain individuals," Mohorcich said. "One way to keep the balance is to gear the sales toward the smaller operations."

The Jorgersons complain, though, that the borough is dragging its feet with its timber sales.

In 1993, the borough set aside 5,600 acres divided into 18 parcels for logging. None of that timber has yet been sold, although three small-size parcels are now being prepared for bid.

Mayor Gilman said timber sales are not always profitable to the borough, and he thinks it unwise public policy to sell off public resources at a loss to the borough treasury.

"We're not going to subsidize," Gilman said.

The Jorgersons aren't asking for any handouts, but they say any losses to the borough from timber sales will be more than made up with

'We're not going to subsidize.'

— Don Gilman,
borough mayor

increased revenues from taxes. Plus it will provide a few more jobs at a time when the oil industry is scaling back.

"The borough's got to realize that we're for economic development and we're an asset to the local economy," the elder Jorgerson said.

The Jorgersons say they lost at least two major contracts last year, including one worth \$42,000, because they didn't have enough wood to meet buyer demand.

Although Spruce Works produces a wide variety of wood products — the elder Jorgerson boasts they make "everything in a house except windows, insulation and roofing" — the future of their business lies in the log cabin kits they produce. The demand for log-cabin

homes is doubling every couple years, they said.

To keep up with the increasing demand, the Jorgersons recently purchased equipment that could increase their output four-fold. Whereas up until now they have been able to produce one log-cabin kit about once a week, the new equipment should cut enough logs to complete a kit every day or two.

But at that rate the Jorgersons estimate they'll be sawing through as much as 20,000 board feet of timber per day. Now they're "lucky" to get enough logs to produce one-third of that.

Inquiries are coming in from all over the world for their log cabins, the Jorgersons said. The Japanese are particularly interested in log homes, but just the other day Spruce Works received a request from Turkey.

Until they get more timber, though, the Jorgersons have a hard enough time supplying log cabins for local demand. Inquiries from outside markets just remind the



Kachemak Resource Institute

Senator Lemmon For
the Resources Com.

Att: Annette

Miscellaneous Salvage
Sale material,

Includes 2 pps marked
(A) to show Title 38 changes
such as HB 121 were major
part of FPA revisions in 1990.
(B) Legislative intent (written by
steering committee) on
beetle control - Ther L Smith

Introduced: 5 (19
Referred: Resources and Finance

RO00529s



BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2

SENATE BILL NO. 317

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to forest resources and practices

7

and to the management of forest lands; and providing

8

for an effective date."

9

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

10

* Section 1. AS 38.05 is amended by adding new sections to read:

11

Sec. 38.05.112. FOREST LAND USE PLANS. (a) The department may

12

not sell or harvest timber, except for isolated personal use timber

13

harvest, until a site-specific forest land use plan has been adopted.

14

A forest land use plan is required whether or not a regional or area

15

land use plan under AS 38.04.065(a) or a forest management plan under

16

AS 41.17.230 has been adopted.

17

(b) The commissioner shall base a forest land use plan on the

18

best available data, including information provided by other agencies

19

describing the immediate and long-term effects of individual and

20

collective forest activities on the timber base and on other resources

21

and uses.

22

(c) In addition to the requirements of AS 38.04.065(b), a forest

23

land use plan shall consider

24

(1) commercial timber harvesting, including related activ-

25

ities;

26

(2) harvesting of forest products for personal use;

27

(3) fish and wildlife habitat, including

28

(A) identification and protection of important wild-

29

life habitat;



Bill Analysis
Senate Bill 317

An Act relating to forest resources and practices and to the management of forest lands; and providing for an effective date

Section 1: State Timber Planning Process. Title 38 is amended to require additional planning before state timber sales. The division of forestry must prepare a site-specific plan before all state timber sales that fully integrates appropriate resource protection measures into the sale design. This site-specific design would also improve public review of individual timber sales.

The department would also be required to annually prepare a five-year timber schedule of proposed state timber sales. Except for small sales and emergencies such as salvage, a proposed sale would be required to appear on the two five-year schedules preceding the sale. The five-year schedule will inform the public and the timber industry of the state's long-term plans.

Section 2, 3 and 4: Coordinating Overlapping Agency Jurisdiction. These sections coordinate overlapping agency jurisdiction regulating timber harvest activities.

Section 2: DEC. Regulations of the amended forest practices act will serve as timber harvest standards for non-point source pollution under the leadership of DEC.

Section 3: ACMP. The amended forest practices act will serve as the Coastal Management Program for harvest activities on private land.

Section 4: DF&G. Regulations of the amended forest practices act provide the fish habitat protection standards except for those activities subject to AS 16.06.840 and AS 16.05.870.

Section 5: Board of Forestry Membership. The current 13-member board of forestry is restructured to a smaller, more balanced, 7-member board. (See section 7 for duties of the board.) It also details qualifications for board members, staffing requirements, and voting procedures.

Section 6: Board of Forestry Terms of Office. The section amends existing terms of office to provide staggered terms of office for the Board of Forestry.

Section 7: Powers and Duties of the Board of Forestry. This section amends the duties of the Board of Forestry. Existing duties include only commenting on regulations. New duties are added: providing a forum for discussion for representatives of affected interests to discuss and resolve forestry issues before they become divisive; coordinating an annual survey of research needs; coordinating the monitoring of the implementation and effectiveness of the forest practices program and making recommendations for change; and holding annual hearings in southeast, southcentral, and interior Alaska to take public testimony on the state's forest practices program.

Section 8: Technical Change, Coordination with DEC. References to DEC's program for non-point source water pollution are amended to be consistent with the coordination provisions in Section 3.

Section 9: Technical Change, Non-point Source Pollution Control. Wording is changed to make clear the meaning of the existing law concerning recognition of environmentally sensitive areas in non-point source pollution control measures.



Chapter 7. Other Issues

C. Insect & Disease Management

This section of the agreement has two parts: an explanation of intent, and proposed statute changes. The intent section that follows explains the purpose of statutory changes. modifications are intended to accomplish.

INTENT

It has become evident in the spruce stands of southcentral Alaska that a wide variety of conditions or actions, including poor clearing practices, can trigger infestations of bark beetles, specifically the spruce beetle (*Dendroctonus Rufipennis*). The attached proposed statutory section would parallel similar legislation in Oregon and California.*

Paragraph (a) of the new section extends prevention and suppression to state, municipal and private land that is currently provided only to state lands, requiring all forest clearing operations to be designed to prevent forest insect or disease outbreaks.

All landowners are identified in Paragraph (b) as responsible for the prevention and suppression of forest insect and disease outbreaks within their forest land which are a result of their forest clearing practices. This paragraph also provides that if the landowner does not contain the infestation, and biologically effective, cost-effective, and environmentally safe suppression measures are available, the state forester may implement them.

Paragraph (d) authorizes the Department of Natural Resources to enter into agreements with other public and private entities to prevent or suppress forest insects or diseases.

Paragraphs (c) enables the Department of Natural Resources to declare infested or threatened zones and thereafter to conduct detection, evaluation, and suppression activities within the outbreak area. Paragraph (e) provides for the dissolution of the zone.

Changes to the law are intended to promote the use of clearing practices that avoid creating forest insect or disease problems. In addition it will encourage suppression of infestations where 1) forest resources are threatened, and 2) suppression measures that are biologically effective, cost-effective, and environmentally safe are available.

A distinct but related issue needs amending in current regulation. 11 AAC 95.160 SLASH (d) requires that "Within Region II, when beetle brood is present in concentrations of white spruce slash with an outside bark diameter greater than five inches it must be treated by burning or some other method to destroy developing insects and prevent bark beetle build-up." Because many areas within Region I have equally significant beetle population problems, reference to Region II would be omitted. As these problems occur in white, Lutz, and Sitka spruce, mention of only one of these should be omitted. The paragraph would then read, "When the state forester determines that spruce beetle brood concentrations in downed spruce create a threat to standing timber, such material must be utilized or treated to destroy developing insects and prevent bark beetle build-up."

*California Public Resource Code, Article 5 Paragraph 4714 and Oregon Revised Statutes 527.380.

Alaska Forest Practices Act Review
Agreement-in-Principle

The agreement-in-principle in this document is the same as the April 10th version drafted by the steering committee except where significant changes were made during the drafting of the legislation. Where those changes occurred, they are made in this document, and the April 10th version is placed in a footnote. The most significant change is in the riparian standards for state land.

Resources
Committee;
5 year schedule
(#38) part of
Forest Practices Act

5 representatives of forest owners and operators (i.e., those who are regulated by forest practices): three representatives of private timber land owners; one municipality with timber ownership; and a representative of the Alaska Loggers Association

5 representatives of users of public resources affected by forest practices (i.e., those who may advocate regulations: fishing groups, environmental groups, etc.)

3 representatives of the state agencies:
 Department of Natural Resources
 Department of Fish and Game
 Department of Environmental Conservation

 Total: 13 Members

Other agencies were also involved. The Division of Governmental Coordination ensured that concerns of the local coastal districts were considered by the steering committee. The Department of Commerce and Economic Development provided technical assistance.

- B. Selection of the Steering Committee Members. To ensure a credible process, it was important that the various interest groups felt well represented by the steering committee. Therefore, the state asked timber land owners, timber operators, and public resource users to select their own representatives. These steering committee members were not picked by the governor nor by the state agencies.

III. Steering Committee Membership

Agency Members

Norman Cohen
 Deputy Commissioner
 Department of Fish and Game

Tom Hawkins
 Assistant Commissioner
 Dept. of Natural Resources

Amy Kyle
 Deputy Commissioner
 Dept. Environmental Conservation

Public Members

John Duffy/Ted Smith

Bob Ellis

Other Involved Agencies

Jan Caulfield
 Coastal Program Coordinator
 Div of Governmental Coordination

Gerry Engle, Program Manager
 Minerals and Forest Products
 Division of Business Development
 Dept. of Commerce & Economic Development

Affiliations

Matanuska-Susitna Borough

Southeast Alaska Conservation Council
 Sitka Fish and Game Advisory Committee
 Northern Southeast Regional Aquaculture Board
 Sitka Conservation Society

Pete Isleib/Dennis Eames	United Fishermen of Alaska Southeast Seiners Association
Nancy Lethcoe	Prince William Sound Conservation Alliance Cordova District Fishermen United
Bob Loescher	Sealaska Corporation Alaska Loggers Association
Robert Loiselle	Klukwan Forest Products, Inc. Alaska Loggers Association
Alan Phipps	Susitna Valley Association Alaska Center for the Environment
Larry Smith	Southcentral Council of Fish and Game Advisory Committees Association of Regional Councils
John Sturgeon	Koncor Forest Products Alaska Loggers Association
George Woodbury	Chairman, Timber Issues Committee Alaska Loggers Association

IV. Ground Rules

The steering committee adopted the following five ground rules to guide the mediation process:

1. This effort will receive priority attention, staffing, and time commitment.
2. All parties agree to negotiate in good faith and to try to reach an agreement by consensus.
3. All participants in the negotiation bring with them the legitimate purposes and goals of their organizations. All parties recognize the legitimacy of the goals of others and assume that their own goals will also be respected.
4. Anyone may leave the process and the above ground rules, but only after telling the entire group why and seeing if the problem(s) can be addressed by the group.
5. All parties agree to be an advocate for an agreed-upon plan. However, interim agreements are not binding until a final plan is agreed-upon by all.

V. The Consensus Agreement

This section lists the steering committee's obligations to the consensus agreement.

The fifth ground rule adopted by the steering committee is, "All parties agree to be an advocate for an agreed-upon plan. However, interim agreements are not binding until a final plan is agreed-upon by all." This agreement-in-principle, if ratified by all the steering committee groups, is the agreed-upon plan.

Amendments to the Forest Practices Act HB No. 331 & SB No. 317

INDEX OF SECTIONS

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Section 3:	AS 41.17.010(6)	Overlapping Jurisdiction: ACMP	Amendment	L-3
Section 4:	AS 41.17.010(7)	Overlapping Jurisdiction: DF&G	New Section	L-3
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Section 33:		Effective Date		L-31

(B)

**Insect & Disease
Statute Changes**

(a) All forest clearing operations and silvicultural systems must be designed to reduce the likelihood of increased resource threatening insect infestations and disease infections resulting from such operations.

(b) No person shall conduct or approve timber clearing activities that create conditions fostering outbreaks of infestation or infection that threaten forest resources on other forest lands. When the Commissioner finds after notice and hearing that the owner of timber or timberlands has created such conditions in violation of this subsection, the Commissioner may:

- (1) require the owner at the owner's expense promptly to remove or cure the conditions fostering outbreaks of infestation or infection;
- (2) require the owner at the owner's expense to undertake environmentally sound, effective, and cost-efficient actions to control the infestation or infection in the immediate vicinity of the improper timber clearing activity; and
- (3) if the owner does not comply with a final order under (b)(1) or (b)(2), enter onto the land and undertake the actions so ordered and seek recovery of the costs of such actions by filing and foreclosing a lien against the property.

(c) The Commissioner may undertake surveys and appraisals to obtain pertinent data on regional insect infestations and disease conditions. Whenever the Commissioner determines that there exists an area which is infested or infected with forest insects or diseases injurious to forest resources and that the infestation or infection is of such a character as to threaten the timber or timberlands of adjacent owners, the Commissioner may declare the existence of a zone of infestation or infection, and describe and fix its boundaries.

(d) The Commissioner may enter into agreements with any owner and with any agency of government, including the federal government, for the purpose of preventing or suppressing forest insects or diseases damaging or threatening forest resources.

(e) Whenever the Commissioner determines that insect and disease control work within the designated zone of infestation or infection is no longer necessary or feasible, he shall dissolve the zone.



Alaska State Legislature

MAR 2 1995

Please enter into the record my testimony to the SENATE RESOURCES
committee name

committee on HB 121, dated 27 FEB 1995
bill/subject

Signed:

Chris A. Bacciet

Testifier

Rep. / Justice for Alaska

Representing (Optional)

P.O. Box 4173 Palmer 99645

Address

907 376 4518

Phone No.

Trustees for ALASKA

A Non-Profit, Public Interest, Environmental Law Firm

TO: Statewide Forest Network

FROM: Jillianne De La Hunt, staff attorney / KRIS BALLEET, MAT-SU VALLEY

RE: Initial review of House Bill No. 121

DATE: 5 February 1995 / 27 FEBRUARY

Attached to this memorandum is a copy of House Bill No. 121 and an analysis by the Alaska Environmental Lobby. In a proposed piece of legislation only one and one-half pages in length, sponsors Williams et al. attempt to give the DNR commissioner the power to ignore constitutional and statutory sustained yield and multiple use protections. In essence, H.B. 121 would allow DNR to key components of the Forest Resources and Practices Act, AS 41.17.010 - .950 ("FPA") and the forest land planning provisions in Alaska Statutes Title 38. Like proposed H.B. 16, this bill would lessen current requirements to inform the public of management decisions, thus limiting meaningful public participation.

Just as is true with H.B. 121, forest users, including loggers, committed to multiple use of state lands will likely find this proposed legislation unacceptable. In addition, the proposed legislation may be unconstitutional violations of Article VIII sustained yield protections.

<u>PAGE</u>	<u>LINE</u>	<u>COMMENTS</u>
1	3-11- 8-13	This new provision in Title 38 would exempt anything DNR labels a "salvage sale" from critical components of the FPA, including the requirement to plan sales in advance, and to adhere to principles of multiple use and sustained yield. Among other things, this amendment would allow DNR to sell as much timber as it desires to a single buyer (current law limits DNR to one salvage sale annually to the same purchaser) and would allow such sales to exceed 500,000 board feet per year. (As a comparison, Kenai state forested lands yield approximately 5,000 board feet per acre.) Because existing law does not define "salvage," DNR would have a wide latitude to include standing live trees in the areas to be sold under this proposed provision. Since the new section would allow DNR to skip inclusion of the sale in the existing timber planning process, public comment would be greatly limited.
2	1-3	
PR 2	14/15, 1 4-7	As the ABE memo noted, this provision would grant the DNR commissioner crystal-ball powers. The commissioner could negotiate a 25 year timber contract without fully adhering to multiple-use and sustained yield requirements any time she or he decides that "within two years" there will be a combination of a high level of local unemployment, a sawmill or other processing plant that will run out of timber to cut (as was the case with the Sitka Mill) and an "underutilized" forest available for cutting. The provision would not

bind the commissioner to any written set of criteria in her or his forestry
scrapping.

2

44
10-12

This provision would, among other things, allow DNR to automatically assume that insect, disease, or fire damaged trees have lost value. This is a significant change from existing law, which requires DNR to consider factors other than economic value when deciding whether to sell timber rights. Again, public input would be limited, and criteria limiting DNR's discretion are essentially non-existent.



Resource Development Council for Alaska, Inc.

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503-2
Phone 907/276-0700 Fax 276-31

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Testimony of Resource Development Council on HB 121

An Act relating to the timber resources within the State
Senate Resources Committee
February 27, 1995

Good afternoon. My name is Carl Portman, Communications Director of the Resource Development Council for Alaska, Inc. On behalf of RDC, thank you for the opportunity to testify on HB 121.

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 timber salvage efforts directed at trees that will lose substantial economic value due to disease or fire.

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.

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 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. Salvage timber sales through HB 121 would 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 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 would help expedite the recovery of the forest by encouraging managed reforestation which is considerably faster than natural regeneration in Alaska. HB 121 will permit quick access to damaged trees when there is still enough value in the timber to allow for harvest and reforestation. 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.

Trees across Southcentral Alaska are rotting on the stump and a major fire potential exists. In the short term, logging may appear unsightly to some, but a greener, healthier forest will grow back much sooner than if nothing is done.

RDC encourages the Senate Resources Committee to pass this legislation and move beyond the gridlock surrounding the issue.

I have sat at the CIO office for 5 1/2 hours

now waiting to testify on this bill. I have made 3 trips

Good ~~Monday~~ ^{afternoon} Senators in Juneau, ... to Fairbanks, driving 12 miles. On the way into town today, 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 ~~the~~ HB 121. This piece of legislation would accelerate the power to go some place fast, but the road ahead would be slippery, deceptive and potentially dangerous.

I oppose 121 for 3 basic reasons:

1. PUBLIC PROCESS: I tried to testify on this bill before the House Resources Committee. There were so many people on Friday afternoon they told us to return on Monday to continue. On Monday they never gave us a chance to speak. Within 10 minutes they had moved on to another bill. Over the past 5-8 years, I have attended nearly all the meetings, forums, workshops and public hearings on forestry. (I don't believe I've ever seen any of you Senators attend these meetings which are very educational.) *I hope you have the concern to protect the public interest.* I have heard the people say they want to be a part ~~part~~ of the decision making process for the forest they live in. These people are serious 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 the 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 in the wrong direction. This is unacceptable. It should be against the law.

Every 30 days...

2. SO LITTLE SPRUCE AND SO MUCH TO LOOSE: After talking with foresters here in Fairbanks I learned that the white spruce component of forest in Interior Alaska is quite small. White spruce categorized as saw timber, those older, larger, most valued commercially trees, account for only 1-3% of the total. The mixed spruce hardwood stands offer another 5%. With the addition of the pole-sized spruce we can tally only 10-15% of the forest as white spruce.

Those old trees are also the best targets for insects infestation, because they have lost their vigor to defend themselves. If those 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 those older islands of forest are cut in emergency salvage sales, we could lose the very forest that represents the greatest accumulation of energy, that has many values as important or more important than just the stumpage price.

3. LOSS OF FOREST, BY ANY TAKING, NEEDS TO BE PART OF ANNUAL ALLOWABLE CUT TO MAINTAIN SUSTAINABILITY; I live in the forest. I own a cabin that now is surrounded by the Tanana Valley State Forest. I helped Bettye Farenkamp work for pulling the land in public hands, to be used for all the uses of the public. I value the forest as my home and I also earn my living to a major extent from the generosity of the forest. I work in tourism and I write books, both of which draw on the natural beauty of the land.

A forest is more than just a number of tree trunks. This boreal forest includes 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 10 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 HERB 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

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

*Please put this in the pocket of
a very Senator.*



Alaska
Wilderness
Recreation &
Tourism
Association

Sustainable recreation and tourism for a quality future

P.O. Box 1353
Valdez, AK 99686
Phone: 907-835-4300
Fax: 907.835.5679

**HB-121 "SALVAGE TIMBER" BILL
TESTIMONY FOR SENATE RESOURCES COMMITTEE (FINAL DRAFT)
2/27/95**

My name is Ed Davis and I am on the board of the Alaska Wilderness Recreation and Tourism Association, a trade group with over 200 business members. Our organization would like to present testimony about four aspects of this legislation, a) loopholes in HB121, b) impacts of these loopholes on tourism and recreation, c) flaws in the public process, and d) statutory changes to facilitate salvage sales without opening dangerous loopholes.

A) THE LOOPHOLES:

Although HB-121 appears short and simple on the surface, it's more like taking a blind whack at a law book with a hatchet. There's no telling which were the intended and/or unintended loopholes. But the bottom line is that they manipulate the statutes in ways that are not obvious to the casual reader and they give the DNR commissioner powers that could lead to unconscionable abuses of Alaska's public forests. The bill:

- 1) Allows large scale long term timber harvest contracts to be negotiated rather than bid. The duration can be up to 25 years, and the timber volume and acreage of the sales is unlimited.
- 2) It allows these long-term "salvage" sales to include unlimited quantities of healthy timber.
- 3) It exempts salvage sales from critical components of the Forest Practices Act, including multiple use and sustained yield requirements.
- 4) It is based on hypothetical predictions about forest health and economic conditions.
- 5) It exempts salvage sales from reforestation requirements.

B) IMPACTS OF LOOPHOLES ON TOURISM AND RECREATION

The loopholes in this bill could be used to open most state land to virtually unlimited clear-cutting. Should a future administration take advantage of these loopholes, virtually the entire tourism industry would feel the direct and/or indirect effects. The loopholes are unacceptable as indicated:

LOOPHOLE #1; Exemption from multiple use criteria established in the Forest Practices Act:

- a) Tourism and the forest products industry are similar in that they both rely on access to public forests. They differ in that tourism is a non-extractive industry that requires sustained access to a

resource base that is characterized by the undamaged viewsheds and scenic beauty of Alaska's forests; and the forest habitat which provides opportunities for wildlife viewing, sport fishing, big game hunting, and high quality camping and hiking. **Both industries have equal rights for equal access to Alaska's public forests.**

- b) Large scale clearcut logging is a single-use of public forests. Most of the values that support tourism and recreation are destroyed for a generation after a clearcut, and remain impaired for several more generations.
- c) In areas where it was inappropriate to cut living trees prior to insect infestations, it will probably still be inappropriate to cut the trees after beetles kill them. This is because -
- d) Logging stunts the regeneration of healthy forests after a beetle infestation. An abundant crop of young spruce trees generally survive spruce bark beetle infestations. If these young trees are killed or damaged by logging operations, an entire generation of healthy trees up to 50 years old will be lost, which severely delays the return of healthy mature trees and the resumption of forest-dependent activities.

LOOPHOLE #2: 25 year timber sales of unlimited volume and acreage, based on hypothetical criteria, and exempt from FPA regarding sustained yield:

- a) Since hypothetical criteria can be used to justify salvage sales, and since their size is unlimited, they can be applied almost universally to forested state lands.
- b) This poses a serious threat to the scenic viewsheds on which tourism depends, especially when they are combined with the suspension of multiple-use and sustained yield criteria established in the Forest Practices Act.
- c) Clearcuts of this magnitude will stunt growth throughout Alaska's tourism industry. To establish enterprises that can operate and grow, many tourism businesses need assured access to a resource base that includes public forests with undamaged viewsheds. The loopholes in this bill dramatically reduce the levels of assurance that tourism businesses need to: a) meet customer expectations about "wild and scenic Alaska", b) justify their investments, c) obtain bank loans, d) grow, e) create jobs, and e) feed families. For example, the thriving flightseeing operators in Anchorage would probably have a hard time getting bank loans for a new airplane today if the Susitna Valley clearcuts proposed in the mid-80's were rammed through.
- d) The 25 year contracts will tie the hands of future administrations, business enterprises, legislative sessions, and generations of Alaskans as public values change and as the pattern of clearcutting expands.
- e) According to *Alaska: Economy Performance Report 1994* (State of Alaska, Division of Economic Development, Department of Commerce and Economic Development) the timber industry does not contribute as much to the State's economy as tourism. ["During summer 1993, visitors spent \$900 million traveling to and from the state and another \$600 million within the state. Instate visitor spending has doubled since 1985. Visitors spent \$175 million in Alaska on tours and recreation during summer 1993 (p. 11)."] 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 (p. 11). By contrast, the forest products industry contributed \$565 million to the Alaskan economy. The forest products industry created only 3,185 jobs and produced an industry payroll

of \$140 million (p. 13). In summary, tourism created over 12,000 more jobs than the forest products industry, and over twice the industry payroll.

LOOPHOLE #3; Exemption from reforestation requirements:

- a) This is a loophole within a loophole. Large scale clearcutting creates an acute need for replanting. Natural reforestation processes from the surrounding trees grinds to a virtual halt as clearcuts increase in size. Why should a bill that allows unlimited clearcutting and thereby creates the greatest need for reforestation also waive the responsibility to replant?
- b) Reforestation should be required where salvage sales take place within sight of high use viewshed corridors and other tourism and recreational areas.

C) FLAWED PUBLIC PROCESS:

HB-121 has advanced to Senate Resources in part because of tremendous abuses of the public process as it was moving through the House.

- 1) As a resource-dependent industry that will be hurt by loopholes in this bill, we were granted a grand total of 3 minutes worth of verbal comment before House Resources passed HB-121. After our testimony was cut off, none of our other members were allowed to testify, and our faxed written comments were deleted from the legislative packet.
- 2) The House Resources Committee told some of our members who were excluded from testifying at the first hearing that they could come back to testify at the second hearing. No testimony was allowed at that second hearing even though seven communities requested to testify.
- 3) All written testimony that criticized HB121 was deleted from the legislative packet that was used by the House Resources Committee when it approved the bill on February 6. The written testimony from our organization apparently never made it into this packet because it exposed major loopholes in the bill, and was therefore treated in the same manner as other critical written testimony.

The tourism industry deserves all the time it needs to identify the loopholes and inform lawmakers about the impacts that the loopholes have imposed on our industry.

D) SUGGESTED STATUTORY CHANGES

In cases where it is appropriate to harvest timber that would otherwise lose economic value, the only significant statutory impediment is AS 38.05.113. By making minor adjustments in the applicability of the 5 year plan, this situation can be eliminated. The existing statutes would then be used to conduct salvage sales, which offers the following advantages:

- 1) public controversy will be minimized by offering competitive, advertised salvage sales, consistent with existing land classifications and land use plans, and with public involvement in the decision making.

- 2) there appears to be only about two months difference between the time it takes to prepare a negotiated sale and an advertised competitive sale
- 3) with minimal changes to the statute, the bottleneck to speedy offering of salvage sales can be eliminated.
- 4) the decision to offer salvage sales will not be based on speculative factors.

Thank You.



Alaska State Legislature

Please enter into the record my testimony to the RESOURCES / SENATE
committee name

committee on HB 121, dated 2-27-95
bill/subject

I SUPPORT HB/21 AS WRITTEN. A LENGTHLY PUBLIC PROCESS AND COMMENT PERIOD HAS ALL READY BEEN DONE. THE SPRUCE BARK BEETLE IS STILL WITH US THE TREES ARE STILL DYING AND THE VALUE OF THE PRODUCT CONTINUES TO DIMINISH. WE SAW WHAT HAPPENED IN THE COOPER LANDING AREA, WE ARE NOW SEEING WHAT IS HAPPENING IN THE MOOSE PASS AREA AND I HOPE WE DON'T ALLOW IT TO GO ON. MY OWN HOME SITE IS 90% LOST TO THE BEETLE SO I DON'T BELIEVE MY COMMENTS ARE SELF SERV. I HOPE YOU WILL ACT SOON TO HELP CONTROL THE PROBLEM. SOME SAY THAT HARVESTING THE

Signed: Jack Taylor
Testifier

OVER

Representing (Optional)

P.O. Box 54 MOOSE PASS 99631

Address

288-3640

Phone No.

- TIMBER WILL LEAVE UNSIGHTLY STUMPS BEHIND.
- I CAN ASSURE YOU THAT WHEN THESE TREES DIE AND A STRONG WIND COMES UP YOU WILL STILL HAVE STUMPS. THE SHAME AND THE LOSS WILL BE THE WE DIDN'T ACT IN A TIMELY ENOUGH MANNER TO EXTRACT SOME VALUE FROM THESE FOREST PRODUCTS.

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

February 26, 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.
121

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



Eric Muench



Alaska State Legislature

Please enter into the record my testimony to the Senate Resources
committee name

committee on HB 121, dated 2/27/95
bill/subject

I am concerned that this bill circumvents long term planning processes for state forest lands. I believe that the true agenda behind this bill is to allow substantially increased timber cutting in S.E. Alaska to the benefit of the pulp mill and the detriment of other uses of state forested lands. Entering lands for timber harvest results in substantial changes to those lands. Short term decisions may not address the long term multiple use of the areas. The public deserves to have full involvement with state forest decisions. Language of pg. 1, line 12+1 and pg 2, lines 6+7 and 11+12 is vague enough to encompass almost everything down here, which of course is the hidden agenda

Signed: Margaret Clabby
Testified

Representing (Optional)
7960 S. Tongass Ktn
Address
907 225-0800
Phone No.



ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE Senate Res.
 COMMITTEE ON HB-121 DATED _____
 BILL/SUBJECT

The Fairbanks Chamber of Commerce fully supports HB-121 & supports the forest industry in Alaska. It is important in wise land use management & resource development to heed the recommendation of the professional biologists & forest managers. They should have much greater weight of opinion than those acting purely from emotion & with little background from which to form opinions.

SIGNED William Johnston Bill Robertson
 TESTIFIER

Fairbanks Chamber of Commerce
 REPRESENTING (OPTIONAL)

709 2nd Avenue, Fbx. Ak 452-1105
 ADDRESS/PHONE NUMBER



ALASKA STATE LEGISLATURE

PLEASE ENTER INTO THE RECORD MY TESTIMONY TO THE Senate Resources Comm.
COMMITTEE ON H.B. 121 DATED 2-27-95
COMMITTEE NAME

BILL/SUBJECT

I urge the Senate Resources Committee to oppose HB 121. This bill leaves too many loopholes, the most upsetting being the definition of salvage timber, which includes timber not only damaged but threatened by bugs, wind, or fire. What is threatened timber anyway? Seems to me like any tree with frost can qualify as threatened.

HB 121 seems to me to be a clear strategy by forest & game game and easy access to timber. However, it is not really creative, as some of you may know. This bill follows a flurry of attempts by timber advocates around the country to gain (federal) lands for access to vast tracts of forest land through legislation called "land health," "salvage sales," or "bug-kills timber."

It is ludicrous to cut down ostensibly threatened trees. And it is really not too much to ask that harvest of ever-deadened timber trees comply with the law. After all, more dead and rotting timber will come off after timber companies go through appropriate public process measures.

Please Oppose HB 121.

SIGNED Marie Bauer
TESTIFIER

REPRINTING (OPTIONAL)

PO Box 20433 Fairbanks AK 99710

ADDRESS/PHONE NUMBER




Alaska State Legislature

Please enter into the record my testimony to the Resources
committee name

committee on 121, dated 2-27-95
bill/subject

I'm for this bill but I think it doesn't go far enough to insure the health of the forest. It

Sec. (c) the commissioner should be able to determine and negotiate a timber sale when insect disease and fire, regardless of economic of the proximity to business. If unchecked the insect and disease will destroy the forest. ~~For them~~ To think that this is ~~now~~ a normal thing I think is wrong. I think man has influence so long that nothing can be considered normal as we must manage it, the insects and diseases with a vengeance.

Signed:  Chuck Booth
Testifier

Museeth
Representing (Optional)

PO Box 102 Seward AK 99664
Address

324-5751
Phone No.



Alaska State Legislature

Please enter into the record my testimony to the Senate Resources Committee
committee name

committee on HB 121, dated 2/27/95
bill/subject

I object to the passage of HB 121 For these reasons:

- It ignores all other forest values such as wildlife habitat, recreation, tourism and subsistence
- It ignores the economic concept of adding value to a resource before its exported.
- It exempts salvage sales from public process
AS. 38.05.113
- It exempts salvage sales from a size cap
(AS. 38.05.115)

It's a "come and get it" bill for the timber industry.

Signed: W. Mark Luttrell Mark Luttrell
Testifier

Eastern Kenai Peninsula Environmental Action Assoc
Representing (Optional)

Box 511 Seward 99664
Address

224 5372
Phone No.



Alaska Society of American Foresters

Cook Inlet Chapter
Juneau Chapter
Ketchikan Chapter
Yukon Chapter
Sitka Chapter
Stikine River Chapter

Testimony before the Alaska Senate Resources Committee
on House Bill 121
to amend portions of Alaska Statute 38 regarding salvage sales of state timber
February 27, 1995

Mr. Chairman, committee members, I am Wayne Nicolls, Legislative Liaison for the Alaska Society of American Foresters (SAF), representing over 250 Alaska members of the Society of American Foresters which is the only organization of professional foresters in the United States. It is comprised nationally of 20,000 forestry educators, researchers and field practitioners. I am a resident of Juneau and I am a volunteer for the Society.

Personally, I have worked in forestry for over 37 years as an employee of the U. S. Forest Service. During my employment, I have been directly and indirectly involved in forest management in the Lakes States, the Intermountain area, and the Southwest, and particularly with a wide variety of circumstances related to timber salvage required by insect infestations, disease, urban and municipal development, and fire.

The Alaska Society of American Foresters supports House Bill 121 under our general position on forest health. Our position statement relative to South-Central and Interior Alaska's Deteriorating Forest Health, which I offer in its entirety for the record, recommends and supports:

1. Coordinated multi-interest forest health planning at the landscape scale.
2. Research to identify spruce beetle-induced impacts on all forest resources.
3. Development of a forest industry as the funding mechanism to subsidize planned forest health actions.

House Bill 121 speaks directly to the third recommendation. We believe the legislation proposed provides essential basic tools to the Department of Natural Resources necessary to responsibly address the extreme threat to forest health represented by the Kenai spruce bark beetle infestation as well as other, we hope less widespread, potential occurrences.

The inherent characteristics that trigger salvage needs nearly always dictate quick action to be effective. The notion that "nature can take its course" is appropriate in natural circumstances, such as in Wilderness and similar areas withheld for various reasons from more active forms of management and from the production of consumer goods and services. Forest stands damaged or imminently threatened and in need of management, including salvage, to retain or restore scenic values and wildlife habitat, as well as to save from loss valuable wood resources needed to satisfy consumer demands must be treated with minimum delay.

In many cases, particularly those of insect infestations, effective reforestation is severely hampered by the passage of time which enables establishment of sod and brush which can retard or prohibit re-establishment of forest stands for decades.

This constitutes my prepared statement; as I indicated, I offer our forest health position paper for the record. I would be glad to try to answer any questions you may have.

To: members of the Alaska Senate Resources Committee FAX 465-3810
From: Jan Dawe, P.O. Box 82003, Fairbanks, Ak. 99708, 479-8343(ph), 474-8343 (FAX) 
Re: H.B. 121 (timber salvage bill)

Wednesday, March 1, 1995

Dear Senators Leman, Pearce, Frank, Halford, Taylor, Lincoln and Hoffman,

As a member of the Knowles/Ulmer Transition Team on Natural Resources, and a participant in the Administrative Committee of the Alaska Boreal Forest Council, I write today to request that you please call for fiscal notes from all the three resource agencies (ADF&G, DNR, and DEC) before passing H.B. 121 out of the Senate Resources committee.

Current Forest Practices Act statutes and regulations allow emergency salvage sales to be handled outside the Five-Year Timber Harvest Schedules.

If H.B. 121 passes in its current form, all salvage sales (including rights-of-way and timbering for lands to be converted to agriculture) would be exempted from the planning process included in the Harvest Schedules. While allowing these exemptions from the timber sale program would expedite some projects, it could also greatly increase the costs for the resource agencies to provide Forest Practices Act oversight on those lands.

The current timber sale program requires lands to be bid on to be advertised in two consecutive issues of the 5-Year Timber Harvest Schedule. This gives the agencies time to "tool up" for the sales, go through the budget cycle to get the money necessary to administer and monitor the sales. If you pass legislation removing this planning mechanism for the resource agencies, you need to provide an alternative means of funding the resource agencies' work, and the shortened timespan for commencing a salvage sale could make the monitoring work much more expensive.

I append the Transition Team on Natural Resource's recommendation on the issue of "funding for monitoring of timber harvest activities and impacts". The copy you are provided is the verbatim recommendation from our subcommittee that was sent on to the Governor. A shortened form appears in the publication entitled "Natural Resources Policy Transition Team Report", January 1995. The major points from that recommendation are as follow:

As levels of timber activities increase in an area, there must be a comparable increase in ADF&G, DOF, and DEC budgets for related monitoring. ...The industry representatives on our committee felt that industry and agency representatives are able to work out problems better through on the ground monitoring, rather than dealing with officials that are bound to agency offices by deficient budgets.

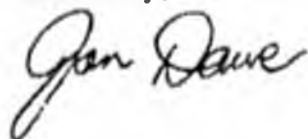
The justification for the recommendation states that: "Better on the ground monitoring reduces conflicts, increases compliance with habitat protection, and creates more ability to take economic interests of various sorts into consideration."

The recommendation was made as a budgetary investment to ensure that Alaska's renewable resources are managed sustainably as a permanent fund.

Members of the Transition Team subcommittee included individuals with expertise in water quality and other habitat concerns, fish and game resources, as well as timber industry representatives. We were charged with making policy recommendations in the best interests of the state and were in consensus on this recommendation. Ask the State Resource Committee to consider that fiscal notes from each of the three resources agencies, which attach reasonable per acre costs to preparing, administering and monitoring the type of salvage sales that would be allowed outside the regular timber sale program should HB 121 be passed, be prepared before you pass the bill out of committee, and certainly before the bill goes up for a vote on the Senate floor.

Thank you so much for considering this request.

Sincerely,



Jan Dawe - March 13, 1995 testimony to Senate Res. Comm - p. 3

se HB 121

KNOWLES/ULMER TRANSITION TEAM

THE COMMITTEE ON NATURAL RESOURCES
Co-Chairs: Bob Loescher, Esther Wunnicke

**REPORT OF THE SUBCOMMITTEE ON
PARKS, FORESTRY, WATER & WILDLIFE**

January 4, 1994

Subcommittee Members:

Larry Holmes, subcommittee chair
Joe Bendle
Dave Clins
Geishon Cohen
Jan Dawe
Ken Thompson
Loisann Reader
John Sisk
Greg Streveler
John Sturgeon

Jeff Parker (assisting at request of the Subcomm. Chair and
with the consent of the Committee co-chairs)

POLICY ISSUE FORM

TRANSITION COMMITTEE: Subcommittee on Parks, Forestry, Water & Wildlife

STATEMENT OF ISSUE.

Funding for monitoring of timber harvest activities and impacts.

RECOMMENDED POLICY POSITION OR CONCEPT.

As levels of timber activities increase in an area, there must be a comparable increase in ADF&G, DOF, and DEC budgets for related monitoring. The Administration should support increased funding to monitor, on the ground, the effects of and compliance occurring on private land timber harvests. The industry representatives on our committee felt that industry and agency representatives are able to work out problems better through on the ground monitoring, rather than dealing with officials that are bound to agency offices by deficient budgets.

JUSTIFICATION:

Better on the ground monitoring reduces conflicts, increases compliance with habitat protection, and creates more ability to take economic interests of various sorts into consideration.

1st, 2nd, 3rd SET OF RECOMMENDATIONS & EVALUATIVE CRITERIA

2nd set of recommendations.

This is a budgetary investment that is consistent with the Governor's view that renewable resources be managed as a permanent fund of Alaska. Working out compliance issues on the ground is cheaper over the long term, than after-the-fact enforcement. It is consistent with better serving the various public interests related to forest resources, a sustainable economy, and assuring the quality of life for Alaskans and nonresidents.

RECORD DEGREE OF CONSENSUS

consensus

MINORITY VIEWS (include by whom, use and attach separate sheets if necessary):

5

KEY WORDS: forestry, budget, ADPA, DEC, DNR, timber lands

Subcomm. Chair

Janice Dale

re HR121

Jan Dale - March 1995 testimony to Senate Resources P. 5



**Alaska
Lumbermen's
Association**

P.O. Box 7136 Ketchikan, AK 99901 (907) 247-2088 Fax: (907) 247-2092

State House Natural Resources Committee
Attn: Jack Phelps, Committee Staff
via FAX: (907) 485-3793

COMMENTS ON HOUSE BILL 121, SALVAGE TIMBER SALES

Ketchikan, AK
February 27, 1995

I would like to thank this committee for the opportunity to comment on House Bill 121. As Executive Director of the Alaska Lumbermen's Association, I have direct and significant experience with the use of salvage sales as an effective and professional forest management strategy, and as a means of maintaining or increasing existing employment and supplying underutilized manufacturing facilities.

Alaska's forested lands are being ravaged by beetle infestation. Over 700,000 acres on the Kenai Peninsula alone have been infested since 1970. Many of those acres have been reinfested since the 1980's, and the beetle spread through 150,000 acres in the last five years. More timber land is devastated on the Kenai by bug kill than has ever been harvested on the Tongass National Forest.

House Bill 121 provides an opportunity to implement a responsible forest management strategy for an overall improved environment. Management strategies have been documented to improve the health of infested stands in recent reports by the U.S. Department of Agriculture and the Alaska State Society of American Foresters. The emergency management of diseased and infested stands of timber under HB 121 provides for non-economic forest values and ensures the due public process while managing our state lands for a healthier forest.

In the meantime, it is estimated that on the Chugach National Forest portion of the Kenai Peninsula, mortality exceeds annual growth. 57% of the documented mortality is estimated to have been caused by the spruce beetle. Nationwide, we are experiencing the perilous effects of a 'no-management' strategy to the tune of billions of board feet of lost timber resources, homes and communities burned or jeopardized, watersheds and wildlife adversely affected, and aesthetic values compromised. Responsible forest management can prevent these conditions in Alaska.

House Bill 121 offers a small management tool in an overall state forest management strategy. I urge you to approve HB 121. Thank you.



MAR 2 1995

ALASKA + WOMEN IN TIMBER

STATE OF ALASKA
DEPARTMENT OF REVENUE
ANCHORAGE, ALASKA

Testimony By
Sandra Meske-President of Alaska Women In Timber

To
Senator Leman and Committee Members

Thank you for the extended opportunity to comment on House Bill 121.

Alaska Women In Timber is a grass roots organization of 250 plus members. Alaska Women In Timber is in favor of the multiple use management of our state lands. Ignoring the problems posed by the extensive spruce beetle infestation on state lands does not provide multiple use or proper management of our natural resource. Recreationalists, wildlife, local economies, and resource industries all suffer under mismanagement.

House Bill 121 offers a solution to this management crisis. The benefits of proper forest management, and the ability to negotiate emergency salvage sales include:

- 1) a reduction in threat of fire-related property damage
- 2) year round, high wage jobs and increased economic activity
- 3) reduced threat of further spread of infestation
- 4) long term soil and forest health
- 5) and the ability to negotiate sales to provide timber to underutilized manufacturing facilities

The timber industry has already suffered irreversibly by the loss of dozens of local manufacturers without enough wood to process. Proper management can reduce the effects of this infestation, provide for multiple uses, ensure environmental protection and public input, and bolster the economies of rural, resource producing communities in Alaska.

As a grass roots organization, we are in favor of House Bill 121 that provides for multiple use management while enhancing the local economy, and the overall health of our state lands.

I urge you to approve House Bill 121.

Sandra Meske

Gregory D. Staunton
P.O. Box 9613
Ketchikan AK 99901

Senate Resource Committee
Alaska State Legislature
State Capitol
Juneau AK 99901-1182

RE: House Bill 121

March 2, 1995

Dear Senators:

I have worked in the timber industry for eight years as a forest engineer and timber cruiser. In my opinion, House Bill 121 is good stewardship.

Massive die off of timber is not a new phenomenon. Though the public awareness of it seems to be new. It makes sense to use the resource before nature "recycles" it. Timber on state land is a capital resource to the people of the state. Like any monetary resource, there is a risk when you invest. When a person recognizes that their money is unexpectedly at risk, they move it. A forest is similar when it is properly managed. When a stand of timber is effected in an epidemically fatal manner, the remaining value is rather limited.

In some areas of the state, the State is the prominent land owner. It should take some responsibility for the effect its actions or inaction imparts on neighboring private lands. The risk of fire has greatly increased in the Kenai Peninsula in the past ten years due to the spruce bark beetle infestation on state land.

If the resource is to be managed in a responsible way, the forester in charge needs the flexibility to act in the face of an epidemic to minimize damage and maintain the value of the peoples' investment.

The spruce bark beetle has been highly detrimental to the old growth spruce of the of the Kenai Peninsula. The climate promotes the infection. The death of a tree previously suitable for saw logs or veneer, signifies a loss of over 30% of its value. Upon death the tree cracks open with surface checking that makes lumber and peeling for plywood not possible. For a limited time pulp recovery is possible. Depending on the severity of the seasonal weather after death, the tree will gradually lose its pulp recovery over a 10 to 20 year period. While this theoretically gives the forester time to recover some value, when timber dies, wind damage drastically increases on most sites. Wind damage in a timber stand is very analogous to cancer in humans; when it starts it is unpredictable and often extensive. Once the tree is on the ground it retains no recoverable worth.

Gregory D. Staunton (cont.)

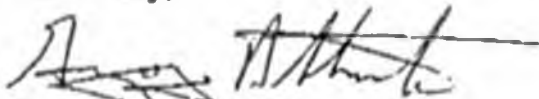
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The risk a company is willing to take is proportional to the potential profits to be made. If one waits to utilize a resource until it has degraded to its lowest marketable value, then it stands to reason that your practical economic choices are limited. A sluggish response to these infestation problems will limit the state's financial resources to do a quality job. At this time, the cost of removal of a fully degraded stand barely offsets the cost of removal, (this is a very generic statement). The state will be hard pressed to find competent operators to take that kind of risk. It makes better sense to do a competent job, while one can pay for it with the remaining higher value timber.

Thank you for the opportunity to comment.

Sincerely,



Gregory D. Staunton

cc: Senator Robin Taylor
Representative Bill Williams