



Briefing Paper: HB 79/SB 28

Negotiated Timber Sales and Susitna State Forest

January 22, 2013

DEPARTMENT OF NATURAL RESOURCES

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DIVISION OF FORESTRY

OVERVIEW. This bill would create a State Forest in the Susitna Valley and expand Department of Natural Resources (DNR) authority to offer negotiated timber sales statewide.

SUSITNA STATE FOREST

Background. The DNR manages 9.5 million acres of state land in the Matanuska and Susitna valleys under the Matanuska-Susitna and Southeast Susitna area plans. This bill would establish the Susitna State Forest from land that the plans classify for forestry and DNR manages for timber harvest and multiple use. Remaining state land in this area is designated for land sales, agriculture, recreation, water resources, and fish and wildlife habitat, including over 3.1 million acres of legislatively designated state parks, refuges, and public use areas. The proposal excludes lands that are priorities for the state's land disposal program. It is consistent with the area plans, and was recommended by the Alaska Timber Jobs Task Force. The proposed State Forest includes approximately 763,200 acres of land in 33 parcels (see chart).

Purpose. Legislatively designating a State Forest would ensure that large tracts of land will remain available for long-term forest management. DNR is committed to long-term management that:

- maximizes the sustainable supply of timber from the state timber base;
- develops access and encourages a broad range of uses on State Forest land, including motorized uses; and
- provides economic and recreational opportunities to the communities, businesses, and residents of the region.

The State Forest would help meet the growing regional demand for state timber sales and personal use firewood harvesting. Local mills depend heavily on state timber for their raw materials. Interest in logs, chips, and wood pellets for commercial, public school, and residential space heating also continues to expand.

Active forest management provides forest stands with a variety of ages to support diverse and healthy wildlife habitat. It also helps reduce wildland fire risk by breaking up large expanses of hazardous fuel types and encouraging regeneration by less-flammable hardwood species.

State Forest Management. The proposed Susitna State Forest would be managed as part of the State Forest System under AS 41.17.200-.230. State Forest land would continue to be open for public use and access, including wildlife habitat management and harvest and recreational activities. The State Forest would be managed consistent with the management intent under the current area plans. Changes to management intent would require public and interagency review through adoption of a State Forest Management Plan under AS 41.17.230. The Alaska Forest Resources and Practices Act (AS 41.17.010 - .955.) would apply to management activities on the forest. The Act is designed to protect fish habitat and water quality, and ensure reforestation. A forest inventory was completed in 2010 for approximately 75% of the acreage and work is ongoing to complete the project. An interim forest inventory report and maps are available at <http://forestry.alaska.gov/whatsnew.htm>.

Public Outreach. DNR has conducted extensive outreach on this proposal. In addition to meetings on the area plans, DNR held community meetings in 2012 in Palmer, Trapper Creek, and Willow; hosted two webinars; and briefed the Mat-Su Borough Assembly, Houston City Council, the Board of Forestry, and the two local Fish and Game Advisory Committees, and made a presentation at a legislative town meeting in Wasilla.

PROPOSED SUSITNA STATE FOREST			
Parcel	Acreage	General Location	Block
Susitna-Matanuska Area Plan			
P-13a	18,100	Kroto Creek East	East Petersville
P-13b	49,600	Kroto Creek West	West Petersville
P-13c	3,300	Amber Lake	West Petersville
U-26a	35,400	Yentna River West	Yentna
R-03a	6,500	Nakoshna River	Yentna
R-03b	33,600	Skwentna River North	West Skwentna
U-26b	15,500	Skwentna River North	West Skwentna
R-03c	5,100	Hayes River	West Skwentna
M-07a	24,200	Canyon Creek	South Skwentna
M-07b	187,000	Mount Susitna	Mount Susitna
M-07c	2,500	Theodore River	Mount Susitna
M-07d	5,800	Alexander Creek West	Alexander Creek
U-24a	10,300	Alexander Creek East	Alexander Creek
U-04a	500	Kroto Slough	Susitna
U-04b	155,800	Kahiltna River	Susitna
U-07e	104,100	Skwentna Village	East Skwentna
B-10	15,200	Yenlo Creek	East Skwentna
S-35	12,800	South Fork Montana Creek	Talkeetna
Southeast Susitna Area Plan			
U-01a	1,200	Sheep Creek North	Talkeetna
U-01b	6,500	Sheep Creek South	Kashwitna
U-01c	5,800	Kashwitna River	Kashwitna
U-01d	13,900	Little Willow Creek North	Willer-Kash
U-01e	18,600	Willow Creek North	Willer-Kash
U-01f	10,500	Deception Creek	Houston
W-01g	600	Houston	Houston
H-06a	800	Houston	Houston
H-32	500	Houston	Houston
H-06b	3,000	Houston	Houston
P-03	600	Little Susitna North	Houston
P-02	1,600	Little Susitna North	Houston
S-03a	300	Deshka Landing	Red Shirt Lake
S-03b	13,300	Deshka Landing South	Red Shirt Lake
S-03c	700	Susitna Village	Red Shirt Lake
TOTAL	763,200		

NEGOTIATED TIMBER SALES

Background. The Department of Natural Resources (DNR) may offer timber sales either competitively or through negotiation. However, negotiated sales larger than 500 thousand board feet may only be offered in areas with high unemployment, excess manufacturing capacity, and an underutilized allowable cut of timber. These criteria prohibit larger negotiated timber sales in many areas of the state that are actively managed for forestry, and where there is high demand for wood for timber products and biomass energy. This bill authorizes DNR to offer negotiated timber sales statewide within the limits of the sustained yield supply, and subject to a best interest finding.

Competitive bid timber sales are the preferred sale method under most conditions. However, negotiated sales provide the ability to tailor some sales to the needs of local processors in areas that lack competitive interest, or where there is competition from round log export markets in a region with a constrained timber supply. The latter situation exists in Southern Southeast Alaska where the state is a small landowner compared to the Tongass National Forest and the state's full allowable cut is a critical source of logs for the remaining sawmills. The state has long had a policy of balancing local jobs and manufacturing against the higher monetary returns of export timber sales. Local milling jobs and round log export businesses are both important to the region, but most state timber is currently sold for domestic use. All timber sales, including negotiated sales, must comply with the Constitutional requirement to manage state timber for sustained yield.

Proposed changes to Title 38 timber sale provisions. This bill would

- Clarify that the DNR commissioner may determine which applicable sale method is in the best interest of the state for each timber sale (AS 38.05.110).
- Allow DNR to offer negotiated timber sales for up to 25 years statewide. Currently, they are restricted to areas of high unemployment, excess manufacturing capacity, and excess allowable cut, which limits them to remote areas.
- Specify that negotiated sales must comply with the requirements for Forest Land Use Plans (AS 38.05.112) and Five-year Schedules of Timber Sales (AS 38.05.113). This ensures that large negotiated sales are developed with adequate notice to the industry and general public, and necessary site-specific design.
- Clarify that DNR may negotiate sales to wood fiber users, including biomass energy producers, in addition to wood product manufacturers.

Review to date. The proposed changes implement recommendations from the final report of the Alaska Timber Jobs Task Force. The Board of Forestry unanimously endorsed the Task Force report with the caveat that any changes in forest management must continue to provide adequate protection for fish habitat and water quality, ensure reforestation of harvested land, and fully comply with the Alaska Forest Resources and Practices Act. The proposed bill complies with the Board's caveat.