

**Written Public Testimony of John “Chris” Maisch C.F.
State Forester and Division Director, Department of Natural Resources, Division of Forestry
On Behalf of State of Alaska**

**Submitted to the House Committee on Natural Resources
April 11, 2013**

Good morning, Mr. Chairman, Ranking Member Mr. Grijalva, Mr. Young, and Members of the Subcommittee. My name is Chris Maisch and I am the Alaska State Forester and Division Director for the Alaska Department of Natural Resources, Division of Forestry. On behalf of the Governor of Alaska, thank you for the opportunity to submit written and public testimony to the House Committee on Natural Resources regarding the Self-Sufficient Community Lands Act (H.R. 1294) and other related legislation. We appreciate your attention to the important economic and environmental issue of national forest management. Modern forestry is the greenest of green industries and yet communities located in and near national forests are desperate for the restoration of green jobs that could result from proper stewardship of our nation’s unmatched forest endowment.

I would like to begin my testimony by discussing a concept we believe is essential to considering legislation of this nature, before describing the current situation in Southeast Alaska, and potential scenarios for State management.

The State of Alaska embraces the concept of a Working Forest, which is further described as the utilization of forest resources to create jobs and healthy communities through active forest management. A healthy environment should support a strong social structure, which will in turn support a robust economy. The State of Alaska and others use the phrase “Triple Bottom Line” to refer to this relationship, which is also described as sustainability.¹ When any one of these elements is emphasized disproportionately, the other elements suffer in measures of quantity and quality. Unfortunately, in Alaska and other parts of the Nation, an unbalanced relationship between the three “bottom lines” is causing major challenges for state and local governments and communities. Federal policy on National Forest System lands has shifted away from the Working Forest concept to disproportionately embrace a protection-oriented approach.

Alaska’s forest endowment is massive. Alaska’s two national forests, the Tongass and the Chugach, are the largest in the country. Together they are nearly equal in size to the 52 forests located in the Forest Service Eastern Regions’ 8 and 9 – over 22 million acres. Unfortunately, the economic “bottom line” of Alaska’s federal forest endowment has been short-changed, to the detriment of Alaska’s communities.

This is illustrated by federal management of the Tongass National Forest in Southeast Alaska. The Tongass is the largest national forest and encompasses about 17 million acres of land. Not all of this land is suitable for timber management, but through a series of legislative withdrawals and policy changes, the suited timber base available for management has declined to only 672 thousand acres – or 4% of the Tongass acreage.

¹ USDA, 2011. National Report on Sustainable Forests-2010, United States Department of Agriculture, Forest Service, FS-979.

Nearly six million acres are managed as wilderness in the Tongass. That is more wilderness acres than the Forest Service manages in Arizona, Florida, Nevada, New Hampshire, Pennsylvania and Oregon combined (4.8 million acres).

The limitations mentioned, in combination with an unwieldy U.S. Forest Service policy, have led to a precipitous decline in timber volume offered for sale. At the same time logging and wood products employment remains a mere shadow of its past, falling from 4,600 jobs in 1990 to approximately 307 logging jobs and 150 wood products manufacturing jobs in 2011. Annual payroll lost since 1990 is well over \$100 million. Payroll in recent years has fallen to approximately \$21 million for the logging and the forest products manufacturing sector.² Conditions have continued to deteriorate since 2011 and the Southeast Alaska timber industry has nearly collapsed. The few jobs left are attributable to forest management activities by landowners such as the Sealaska Corporation and the State of Alaska. Since 2007, what remains of the timber industry in Southeast Alaska has lived from timber sale to timber sale.

Alaska Timber Jobs Task Force

In 2011, Governor Parnell issued Administrative Order 258 which established the Alaska Timber Jobs Task Force to recommend ways to revive Alaska's timber industry. The task force was a combined federal, state, private industry, and community group appointed by Governor Parnell. The Governor charged the task force with considering and attempting to address a number of specific tasks, several of which were directly related to timber management on federal lands and the need to utilize these renewable resources to benefit local, regional and national public interests. The final report from the task force was completed in 2012.³

The task force gathered information from numerous state and federal agencies to capture the social implications of developments in the Southeast timber industry. The task force found the decline in Southeast Alaska's timber industry impacted social measures, such as regional population and school enrollment. Statistics from the 2010 U.S. Census show that total population has declined by 5% over the past decade. Furthermore, 24 out of 34 Southeast communities (71%) have lost population ranging from -2 percent (Hydaburg) to -57 percent (Point Baker).⁴ The Southeast region of Alaska, dominated by the Tongass forest, is the only region to lose population during the last two censuses.

Schools are the leading indicator of community health. The Task Force found that while "[n]early all (31 of 34) Southeast communities have had a public community school at one point in time . . . the majority of communities have experienced enrollment declines over two decades. In total, there has been a 15 percent decline in Southeast student enrollment since 1990. During the past 20 years, six communities (19%) have seen their school close (one school has since reopened in Kasaan). Of the 31 communities with schools, the majority (87%) have experienced a declining student enrollment sustained over nearly two decades; only (10%) have increasing school enrollments."⁵

² Alaska Department of Labor

³ Available at http://forestry.alaska.gov/pdfs/timber_jobs_task_force_report_final.pdf.

⁴ Alaska Timber Jobs Task Force 2012, Report to Governor Sean Parnell, Prepared By Alaska Timber Jobs Task Force, Administrative Order 258: Final Report, Appendix 8 p3.

⁵ Alaska Timber Jobs Task Force 2012. Appendix 8 p 3-5.

The Southeast Island School District serves residents of the islands of Prince of Wales, Baranof and Koscusko – all located in the heart of the Tongass National Forest. Those islands were the most intensively managed during the peak of timber harvest. In 1995, the district served 381 students in 12 schools. Today, nine schools serve 160 students.

Recent news from the USFS concerning Secure Rural Schools payments and sequestration could exacerbate an already troubling situation. The State and school districts have received an invoice for \$826,331 as a result of the 5.1 percent cut in funding in our Title I-III allocations.⁶ This unwelcome development underscores the need for a better approach to funding school districts dependent on this income.

Despite these grim realities, the region is fighting to survive and reinvent itself. Federal legislation could help make this possible.

Self-Sufficient Community Lands Act (H.R. 1294)

H.R. 1294 outlines a solid process for establishing a more consistent funding approach, while meeting the objectives outlined above. I offer the following observations concerning the benefits of a state-managed community forest demonstration area in comparison to the current form of management.

The Alaska Forest Resources and Practices Act (FRPA) governs forest practices on state, municipal, and private land, including the Alaska Mental Health Trust and University of Alaska Trust lands. The Act, in place since 1989, has been updated several times as new science becomes available. Scientific findings are reviewed in a two-step process via Alaska's Board of Forestry. The Act includes effectiveness and implementation components to ensure the best management practices (BMPs) remain current.

Lands designated as State Forest are managed per state forest purposes, as defined in Alaska statute (AS 41.17.200). The statute states, "[t]he primary purpose in the establishment of state forests is timber management that provides for the production, utilization, and replenishment of timber resources while allowing other beneficial uses of public land and resources." The focus is on providing a consistent well managed supply of wood to private sector businesses that subsequently produce a range of products and services that will benefit local communities. The State has emphasized job creation over maximization of revenue in its management of state forests, but two State Trusts follow the maximum fiscal return approach to ensure beneficiaries are well served.

In contrast, federal lands have numerous conditions and guidelines that prevent the USFS from generating significant revenue from forest management activities. The new 2012 National Planning Rule includes language that states: "the plan must provide for ecosystem services and multiple uses..." and contains additional language concerning integrated resource management planning that must address a long list of criteria, which in part include: aesthetic values, air quality, ecosystem services, habitat connectivity, scenery, view sheds, wilderness and other relevant resources and uses.⁷ The National Forest Management Act (NFMA) also includes a section to "insure that timber will be harvested from the

⁶ USDA Forest Service Correspondence, March 19, 2013

⁷ 36 CFR 219 Subpart A-National Forest System Land Management Planning (2012 National Planning Rule) §219.10 Multiple use (a) (1).

National Forest System lands only where the harvesting system to be used is not selected primarily because it will give the greatest dollar return or the greatest unit output of timber.”⁸

These conditions and numerous others complicate the timber sale process for the USFS and often result in below cost sales or sales that are only marginally economic. Here, state management would offer clear advantages. The State public process is less cumbersome which allows prompt reaction to market changes and the ability to offer long term timber sales up to 20 years or longer, which would encourage the investment of private capital and manufacturing facilities.

Restoring Healthy Forests for Healthy Communities Act, Healthy Forest Management and Wildfire Prevention Act (H.R. 818), and Other Matters

The State of Alaska also supports the concept of the Restoring Healthy Forests for Healthy Communities Act, as it could significantly increase timber harvests on national forests. Additionally, the State of Alaska would concur with specific recommendations in H.R. 818 concerning “Good Neighbor “(Sec. 8.) and Stewardship Contracting (Sec.9.) authorities. The National Association of State Foresters is also on the record with support for these concepts. (See attached correspondence).

Finally, the State of Alaska supports an equitable resolution of the Sealaska Corporation’s land entitlement under the Alaska Native Claims Settlement Act and a proposed land exchange between the Alaska Mental Health Trust and the U.S. Forest Service. Resolving these issues is important to balancing the triple bottom line of Southeast Alaska.

Conclusion

In closing, I would like to leave you with this thought: Alaska’s federal and state forests have the potential to be a model of sustainability, including environmental, social, and economic objectives. The “working forest” concept embraces diverse and broad objectives related to utilizing natural resources, providing jobs, stimulating local economies and supporting communities. These broad objectives have the potential to unify diverse stakeholders and interest groups.

Despite more than 50 years of timber harvest in the Tongass, a mere 2.5 percent of the old growth forest has been harvested. The Tongass alone is roughly half the size of Pennsylvania and Massachusetts combined, yet today, more commercial harvest occurs in those states than in all of Alaska. By allowing another 4.5 percent of old growth to be harvested in the Tongass over the next 80 years, hundreds of jobs – the equivalent of an auto factory – would be created and sustained forever - the ultimate green industry.

Thank you again for the opportunity to discuss federal forest management. I urge you to act on these important pieces of legislation. Mr. Chairman, this concludes my testimony and I would be happy to address any questions the Committee may have.

⁸ U.S. Code 1604 (g)(3)(iv) (National Forest Management Act (NFMA)).

NASF RESOLUTION NO. 2011-2: Landscape-Scale Forest Management in the Vicinity of Federal Lands

ORIGIN OF RESOLUTION: Council of Western State Foresters

ISSUE OF CONCERN: Landscape-Scale Forest Management in the Vicinity of Federal Lands

BACKGROUND:

There is increasing consensus that sustaining and enhancing the health of forests in the U.S. requires a collaborative, landscape-scale approach. Forests across the nation face an increasing host of threats, including climate change, wildland fire, and insect and disease infestations. The one commonality among these threats is that they cross forest boundaries and ownerships. In order to sustainably manage forested landscapes and maximize the vital services that they provide, including clean air and water, recreational opportunities, and forest products and jobs, it is crucial for all stakeholders to work together. Collaboration among those who have a stake in the future of the forests, both at the national and local levels, is a powerful tool to support and guide management needed to accomplish desired outcomes. Collaborative management serves the values of society and ensures the long-term health and sustainability of all forests.

The concept of landscape-scale management, or “all-lands” management as discussed by the Secretary of Agriculture Tom Vilsack, is not new. However, in the years since the Secretary’s speech in Seattle and the subsequent release of the National Association of State Foresters’ (NASF) *All-Lands Policy Platform*, we have continued to lose ground to ever-growing forest threats. A piecemeal approach to land management will not effectively address the threats that forests, communities and economies face from wildfire, a changing climate, and insect and disease infestations.

The National Association of State Foresters (NASF) believes that additional work is needed to build on existing authorities and programs that are available to support landscape-scale management activities by the USDA Forest Service (USFS) and other federal land management agencies. The scale of forest health issues impacting local communities and economies requires that we redouble our efforts to increase the total acreage of forest lands being treated and to do so across multiple ownerships when and where such actions are appropriate.

RESOLUTION:

Therefore be it resolved that the NASF supports directing additional effort at the following programs to address the growing forest health issues across the U.S. These recommendations are focused on federal land management agencies. Other landscapes with large proportions of non-federal lands may require additional tools and approaches:

- USFS Land Management Planning. In order to effectively manage at the landscape-scale, we must first develop a comprehensive understanding of the forest resources that exist across various management boundaries. The State Forest Resource Assessments and Strategies provide this first in the nation comprehensive examination of landscape-scale forest conditions and landscape-scale forest conservation needs. As called for in formal comments submitted to the USFS on the draft Planning Rule, the NASF strongly believes that State Forest Resource Assessments and Strategies should be incorporated into the planning process for each and every National Forest to help provide the landscape-level context in which the NFS lands lie.
- National Environmental Policy Act (NEPA). The ability of agencies to successfully navigate the requirements of NEPA is crucial to the success of all projects taking place on federal lands. The NASF supports the continued and expanded use of the Cooperating Agency Status available under

NEPA to ensure greater participation in decision making by interested agencies, both state and federal, and to engage necessary stakeholders early on in project development. Additional efficiencies could be gained if federal agencies are able to work together and share NEPA planning efforts that extend over large landscapes and multiple jurisdictions. Additionally, the NASF supports appropriate utilization of categorical exclusions and emergency provisions under NEPA where a rapid response is necessary to mitigate additional resource damage.

- Forest Inventory and Analysis. State Forest Resource Assessments and Strategies rely to a large degree on data gathered through the USFS Forest Inventory and Analysis program. States continue to work with the USFS to close the backlog of inventory needs, however data gaps remain and several western states have yet to be fully inventoried. The full implementation of the Forest Inventory and Analysis program across all states is crucial to providing landscape-scale data to inform management decisions at all scales.
- Good Neighbor Authority (GNA). The GNA is currently available to land managers only as a pilot authority in the state of Colorado. This authority is one important tool that can allow better cooperation between federal and state agencies by allowing states to act as an agent for federal agencies to complete watershed and other restoration treatments on federal lands. The NASF supports the expansion of the GNA.
- Stewardship Contracting Authority. The stewardship contracting authority has been successfully used throughout the U.S. to improve forest health, stimulate forest-based economies and to improve collaborative project development amongst diverse constituencies (see *Western Forestry Leadership Coalition, Stewardship Contracting: Collaboratively Addressing Forest Health and Job Creation throughout the West* http://www.wflccenter.org/news_pdf/404_pdf.pdf). The NASF supports the permanent authorization of the stewardship contracting authority, which is currently set to expire in 2013. Permanent authorization will help to ensure that the authority is institutionalized within the USFS and BLM as one of the tools available to natural resource managers to address ongoing forest health issues at a landscape-scale. Following permanent authorization of the authority, the NASF stands ready to work with our partners to continue to improve the effectiveness and efficiency of the authority by addressing issues such as potential for longer term contracts.
- Collaborative Forest Landscape Restoration (CFLR) Program. Since authorization in the Omnibus Public Land Management Act of 2009, the CFLR program has brought local USFS units together with states and interested stakeholders to collaborate on developing projects for submission to the CFLR program advisory committee. Projects are comprised primarily of forested NFS lands for which funding is made available under the authority, but may also include land under the jurisdiction of other federal ownerships. The NASF believes that this program has shown great promise to successfully bring together a wide variety of stakeholders in the project development phase, which will result in greater public support for active management and additional accomplishments on the ground.

NASF ACTION:

- Approved
- Disapproved
- Tabled

DATE OF ACTION: 9/21/11

March 12, 2013

Honorable Doc Hastings
Chairman
Committee on Natural Resources
U.S. House of Representatives
1203 Longworth House Office Building
Washington, DC 20510

Honorable Edward Markey
Ranking Member
Committee on Natural Resources
U.S. House of Representatives
2108 Rayburn House Office Building
Washington, DC 20510

Dear Chairman Hastings and Ranking Member Markey,

The undersigned organizations—representing millions of conservationists, farmers, ranchers, forest and rangeland managers, energy producers, hunters, and anglers—strongly support the *Healthy Forest Management and Wildfire Prevention Act*, H.R. 818.

The devastating wildfires throughout the western United States in 2012 are a symptom of the deteriorating health of our forests. Lack of management, drought conditions, and pest infestations have left much of the West with extreme wildfire conditions. As groups whose members work to conserve natural resources for multiple uses, such as watershed health, grazing, timber harvest, energy development and transmission, exploration, recreation, hunting, and fishing, we are deeply concerned as to the effects wildfires have on the landscape. Additionally, there is consensus that forest management practices, such as thinning and prescribed burns, can help prevent these catastrophic wildfires.

H.R. 818 gives states the authority to identify areas currently impacted by or which pose a future risk of fire due to the bark beetle epidemic, drought, or deteriorating forest health conditions, and put in place emergency hazardous fuels reduction projects to address these conditions. H.R. 818 also allows the use of provisions for streamlining administrative and environmental processes, similar to those from the Healthy Forests Restoration Act, when applied to emergency hazardous fuels projects.

Furthermore, the legislation provides the Departments of Agriculture and Interior valuable tools to expedite fuels reduction programs. Such tools include expansion of the “good-neighbor authority” used to expedite cooperation between the U.S. Forest Service, the Bureau of Land Management and state foresters for forest, rangeland, and watershed restoration and protection. This type of cooperation will enhance landscape level conservation practices and help address forest health and wildfire concerns.

We urge the Committee to bring H.R. 818 up for consideration to provide land managers the necessary tools to address forest health and management. Thank you for your consideration on this important legislation. We look forward to working with you to implement these common sense reforms that would reduce catastrophic wildfires and improve overall forest health.

Support of H.R. 818—*Healthy Forest Management and Wildfire Prevention Act*

Sincerely,

American Farm Bureau Federation
American Forest Foundation
Association of Fish and Wildlife Agencies
National Association of Conservation Districts
National Association of Counties
National Association of State Foresters
National Cattlemen's Beef Association
National Wild Turkey Federation
Public Lands Council
Quality Deer Management Association
Safari Club International
Society for Range Management
Tread Lightly!
Western Energy Alliance

CC: Members of the House Committee on Natural Resources



REPORT TO GOVERNOR SEAN PARNELL PREPARED BY ALASKA TIMBER JOBS TASK FORCE

ADMINISTRATIVE ORDER 258:

FINAL REPORT

ALASKA TIMBER JOBS TASK FORCE

The Alaska Timber Jobs Task Force is a combined federal, state, private industry, and community group appointed by Governor Parnell to review and recommend actions related to:

- management of state-owned forest land, establishment and expansion of legislatively-designated state forests, and state timber harvesting statutes and regulations, and
- Tongass National Forest management, southeast Alaska land ownership, southeast Alaska timber demand and supply, statewide current and potential wood products, and additional research needs.

Membership

Name	Title	Affiliation
Chris Maisch	State Forester (Task Force Chair)	Alaska Department of Natural Resources, Division of Forestry
Randy Bates	Director	Alaska Department of Fish and Game, Division of Habitat
Brad Cox	Logging and Milling Associates	Alaska Forest Products Industry
Bryce Dahlstrom	Viking Lumber Company	Alaska Forest Products Industry
Owen Graham	Alaska Forest Association	Alaska Forest Products Industry
Nicole Grewe	Economic Analyst	Alaska Department of Commerce, Community, and Economic Development, Division of Economic Development
Ruth Monahan ¹	Deputy Regional Forester	United States Department of Agriculture, Forest Service, Alaska Region
Elaine Price	Resident	Southeast Alaska communities
Randy Ruaro	Deputy Chief of Staff	Office of Governor Parnell

Contact information, meeting notes, reports, and additional information about the Alaska Timber Jobs Task Force may be found at: http://forestry.alaska.gov/aktimber_jobs_taskforce.htm

¹ Note: USFS liaison to Task Force, non-voting member. The USFS abstains from endorsing the findings and recommendations in this report. The USFS disagrees with several of the findings in Administrative Order No. 258. Many of those findings are at issue in ongoing litigation, including litigation the State of Alaska has initiated against the federal government. The USFS participation on the Task Force is limited to furthering the exchange of information and participation and should not be interpreted as agreement with findings or recommendations of the Task Force. The USFS is committed to continuing to manage the Tongass in accordance with applicable federal law and the Tongass forest plan, including the objectives of creating economic development opportunities and jobs for Alaska communities.

EXECUTIVE SUMMARY

Between July 2011 and June 2012, the Alaska Timber Jobs Task Force (hereafter Task Force) reviewed and discussed numerous issues affecting Alaska's timber industry. This report summarizes the Task Force's recommendations to address all objectives detailed in Section 2 (Purpose) of Administrative Order 258 (Appendix 1), with a particular focus on job creation and economic development.

In sum, the Task Force identified the following priority statewide issues that present the greatest impediment to job creation and economic development for Alaska's timber industry:

1. Timber supply;
 2. Workforce development; and
 3. Public education and outreach.
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ALASKA'S WORKING FORESTS

Alaska's federal and state forests have the potential to be a model of sustainability, including environmental, social, and economic objectives. The "Working Forest" concept embraces diverse and broad objectives related to utilizing natural resources, providing jobs, stimulating local economies, and supporting communities. These broad objectives have the potential to unify diverse stakeholders and interest groups while framing many of the State of Alaska's short- and long-term goals.

Working Forests:

1. Support industries that use Alaska's natural resources on a sustained-yield principle based on multiple-use management, consistent with public interest;
 2. Manage timber resource production on a rotational basis to provide for a fully-integrated timber industry capable of producing a variety of products; and
 3. Attract private-sector investment that establishes businesses, creates jobs, and provides community stability.
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FINDINGS

The timber industry is vitally important to Alaska's statewide and regional economies. Timber industry challenges and opportunities vary by region, including Southcentral, Interior, and Southeast Alaska.

SOUTHCENTRAL AND INTERIOR

The timber industry in Interior Alaska is experiencing slow, but steady growth as wood biomass projects are developed to meet community needs for economic space heating and electrical generation. Projects at both small and large scales are made possible by state forest management policies that provide a sustainable, long-term supply of wood from state forests and other state lands.

In Southcentral, the creation of the Susitna State Forest would aid in developing access to lands, which in turn will increase timber sales for small mills and commercial firewood businesses. Other multiple use activities, such as personal use firewood, hunting, and other recreational uses will also benefit.

SOUTHEAST

The principal barrier to job creation in southeast Alaska's (Southeast) timber industry is insufficient timber volume from the Tongass National Forest (NF). Over the past decade (2001 – 2011), the Tongass NF has offered approximately 43% of the volume needed to meet its volume under contract (VUC) sale objectives identified in USFS annual timber demand reports. Since the 2008 Tongass Land and Resource Management Plan (TLMP) amendment, the Tongass NF has offered only 33% of the volume the agency deems necessary to comply with Section 101 of the Tongass Timber Reform Act (TTRA), which requires the United States Department of Agriculture (USDA) to "...seek to provide a supply of timber from the Tongass National Forest which (1) meets the annual market demand for timber from the forest and (2) meets the annual market demand from such forest for each planning cycle."² (Appendix 9).

Uncertainties and exorbitant costs associated with the National Environmental Policy Act (NEPA) and invalidation of the Tongass Exemption to the 2001 Roadless Area Conservation Rule exacerbate the challenge of supplying sufficient timber volume from the Tongass NF to maintain an integrated timber industry capable of contributing meaningfully to the region's economy. The Task Force finds that:

1. The downward spiral of the Southeast timber industry has adversely affected Southeast communities, schools, and local economies;
2. Federal policies and management practices fail to provide sufficient timber supply for Southeast's timber industry;
3. The current USDA "Transition Framework" and associated USDA "Investment Strategy" for economic development being implemented in Southeast proposes to limit and then accelerate transition away from the traditional timber sale program on the Tongass NF in favor of young growth harvest and restoration activities, which is an uncertain alternative for sustaining Southeast communities; and
4. Environmental groups have exerted undue influence over USFS policy and direction related to national forest management in Alaska.

RECOMMENDATIONS

Task Force work and recommendations spanned eight substantive areas of interest including: 1) management of state-owned forests; 2) expansion of legislatively-designated state forests; 3) establishment of legislatively-designated state forests; 4) State of Alaska timber harvesting statutes and regulations; 5) Tongass National Forest ownership and management; 6) timber demand and supply; 7) wood products development; and 8) additional research needs.

Recommendations for each substantive area include short-, mid-, or long-term designations that refer to the estimated timeframe for action on the item: (S) = one to two years; (M) = three to four years; and (L) = five or more. Highest priority recommendations (Appendix 12) are denoted by an asterisk (*). Purpose statements from Administrative Order 258 are included to provide context and background for each set of recommendations.

² To the extent consistent with providing for the multiple use and sustained yield of all renewable forest resources

MANAGEMENT OF STATE-OWNED FOREST LAND

Administrative Order 258, Section 2, Task 1

Review, analyze, and prepare recommendations regarding management and care of the state forests that will lead to economical traditional timber harvests in the future.

1. (S) Establish a “Roads Office” in the Department of Natural Resources (DNR) to facilitate the planning and construction of resource development roads and access. As part of this recommendation, increase DNR’s one time procurement level to \$20 million. (See Appendix 2).
2. (S-M) Provide funding for basic and increased road maintenance and infrastructure development on the expanding statewide forest road system on state lands, especially on state forests. Current funding needed to implement this recommendation is estimated at \$2.0 million.

EXPANSION OF LEGISLATIVELY-DESIGNATED STATE FORESTS

Administrative Order 258, Section 2, Task 2

Review, analyze, and prepare recommendations for future additions of state land to existing state forests.

1. (S) Tanana Valley State Forest: add remaining 1,124,613 acres of forest classified lands from the Tanana Basin Area Plan.
2. (M-L)* Southeast State Forest: add two million acres of National Forest System lands from the Tongass NF (also see recommendation 1 under Task 5).

ESTABLISHMENT OF LEGISLATIVELY-DESIGNATED STATE FORESTS

Administrative Order 258, Section 2, Task 3

Review, analyze, and prepare recommendations for the creation of new state forests where the primary emphasis on use will be for timber harvests and creation of economic development opportunity and jobs for Alaskans and their families

1. (S-M) Pursue creation of the following new State Forests:
 - o Susitna State Forest – 763,200 acres³. (See Appendix 3).
 - o Copper River Valley State Forest – 435,179 acres
 - o Kenai State Forest – 154,726 acres (83,179 Kenai Peninsula and 71,547 Cook Inlet)
 - o Icy Bay State Forest – 34,686 acres

STATE TIMBER HARVESTING STATUTES AND REGULATIONS

Administrative Order 258, Section 2, Task 4

Review, analyze, and prepare recommendations for amendments to state statutes or regulations governing timber harvesting that will lead to the creation of economic development and jobs for Alaskans and their families and communities

1. (S) 11 AAC 71.045. Negotiated Sales (e). This regulation currently limits the length of a contract negotiated under the conditions of AS 38.05.115 to one year, and prevents contract extensions. Amending 11 AAC 71.045 (e) to allow 2-year contracts for small negotiated sales would provide the

³ Total acres from Susitna Area Plan (1985), Southeast Susitna Area Plan (2009), and Susitna Matanuska Area Plan (2011).

state a better tool for addressing the needs of small operators by providing them with longer windows of secure timber for their businesses (Appendix 4).

2. (S) AS 38.05.118. Negotiated Sales. Amending the following sections of this statute would allow the state increased flexibility using negotiated timber sales to meet local manufacturing needs (Appendix 4).
 - Amend statute AS 38.05.118(a) to require that the appraised value of the timber be re-determined every five years.
 - Amend statute AS 38.05.118(c) so only one of the three conditions has to exist within two years.
 - 11 AAC 71.055. Negotiated sales under AS 38.05.118. This regulation would require amendment to reflect changes to AS 38.05.118 recommended above.
3. (S) AS 38.05.945. Notice. Add the following language as Section (E) under AS 38.05.945(b)(3):
 - (E) Notice at least 30 days before the action by publication in newspapers of statewide circulation is not required for the sale of timber on less than 640 acres or the appraised value of the timber is less than \$100,000 or the sale of timber is for a period less than five years.
4. (S) Archeological resources are important and need to be identified and protected; however, the cost of conducting required archeological surveys can often make an otherwise economical small timber sale uneconomical. Moreover, these surveys present significant costs for the DNR, Division of Forestry (DOF) when preparing larger state timber sales. Although the Task Force did not identify any statutory or regulatory amendments related to the State Historical Preservation Act (Appendix 5), the Task Force recommends the DOF and State Historical Preservation Office (SHPO) continue to work cooperatively to develop:
 - Programmatic work agreements;
 - Joint funding agreements/requests to fund survey work; and
 - Increased communications (formal and informal).

TONGASS NATIONAL FOREST LAND OWNERSHIP AND MANAGEMENT

Administrative Order 258, Section 2, Task 5

Review, analyze, and prepare recommendations related to state land selections in the Tongass National Forest and identification of lands already selected and conveyed or pending that have little or no economic use but may have other value and identification of federal lands for which an exchange could be offered to the federal government.

1. (M-L)* Pursue state ownership and/or management authority of two million acres of National Forest System lands in the Tongass NF to support an integrated timber industry in Southeast.
2. (S-L)* Work jointly with other states/entities seeking change in the management of federal lands. Possible changes include the concepts of “trust” or state management of federal lands, the transfer of federal lands into state ownership, adjustments to the Alaska Statehood Act by Congress and measures to force the federal agencies, primarily the USFS, to increase timber harvest.
3. (S) Support finalization of Sealaska’s outstanding land entitlements, Alaska Mental Health Trust’s administrative land exchange with the USFS, and settlement of land entitlements for the unrecognized Southeast Alaska Native Communities.

4. (M) Pursue an administrative land exchange with the federal government of approximately 250,000 acres of existing state-owned lands; dispersing the newly-acquired lands among Southeast communities and boroughs for community development and economic diversification.

TIMBER DEMAND AND SUPPLY

Administrative Order 258, Section 2, Task 6

Survey, study, and submit report to the state and federal government on current demand for timber in the Tongass National Forest and specific business and economic opportunities that could be supported by such demand, if timber were supplied.

1. (S) Support management, research, and legal efforts to assure access to adequate, consistent, and sustainable timber supply on federal and state forest lands. The development of new wood products and increased product diversity will lend strength to obtaining increased supply to support a diversified and sustainable forest products industry.
2. (S) Provide substantive state comments during the scheduled five-year TLMP review process advocating for community-based timber sales and timber supply appropriate to all types of business.
3. (S) Support additional research regarding local and regional socioeconomic impacts of declining timber supply, declining timber industry, and USFS forest management policy and practices in southeast Alaska.
4. (S) Support additional research regarding the timber supply needed to support a fully-integrated timber industry, including all direct and indirect forestry support enterprises.
5. (S-M) Support efforts to frame State and National Forests in Alaska as working forests for Alaska's communities and economies. This effort is largely one of providing resources for developing a public education and outreach strategy regarding Alaska and its communities, peoples, and forests. Where necessary, address misinformation about forest management in Alaska.

Administrative Order 258, Section 2, Task 7

Review, identify, and report quarterly to state and federal governments on possible timber sales in the Tongass National Forest that would meet demand with economical timber sales, including the identification of possible ten-year timber sales.

1. (S)* Utilize all political and policy avenues to ensure – in addition to all current timber sale projects on the Tongass NF – the USFS begins the planning process necessary to advertise four ten-year timber sales, each with an average timber volume of 15 – 20 million board feet (MMBF) per year.
2. (S) Under existing memorandums and agreements with the USFS, direct state agencies to actively participate in the scheduled five-year review of TLMP with a goal that includes promoting revisions to TLMP that would provide an economic timber volume capable of sustaining a fully-integrated timber industry. Revisions to the Wildlife Conservation Strategy, Land Use Designations, Scenic Integrity Objectives, and Visual Priority Routes of TLMP are critical for achieving this objective.
3. (S)* Pursue all opportunities for exempting Alaska national forests from the 2001 Roadless Area Conservation Rule.
4. (S) Maintain and expand the state-federal relationship and increase state participation in the internal design and review process for timber sales and Integrated Resource Management Projects (IRMP) on the Tongass NF.

5. (S) Review, revise, renew, and where appropriate, consolidate state-federal memorandums of understanding governing cooperative efforts.
 - o State participation has the greatest benefit when it is consistently provided from the beginning (Gate 1) and throughout the timber sale planning process; especially participation on the Joint Review Team.
 - o Formalize state cooperation and collaboration regarding implementation of TLMP through an updated Memorandum of Understanding. Clarify communication, roles, points of engagement in project planning processes, and frequency of coordination meetings.
6. (S) Continue the Gate 3 Committee, which includes state and federal staff and industry representatives. Include the committee in the annual monitoring and evaluation process of TLMP.
7. (S) Consider seeking Cooperating Agency status available under NEPA, when appropriate, to ensure greater participation by the state in federal decision-making.
8. (S) Support the State Tongass Team by clarifying its organization and responsibilities for engaging with the USFS.
9. (S) Develop cooperative agreements with the USFS to improve project and permit coordination and approval.

WOOD PRODUCTS DEVELOPMENT

Administrative Order 258, Section 2, Task 8

Review, identify, and report to the state and federal governments on current wood products and potential new products and uses, such as biofuel and cellulosic ethanol, that could be made from timber supplied by the Tongass National Forest.

1. (S) Increase focus and support for products that utilize all primary and secondary timber resource materials.
2. (S) Promote new wood products and increased wood product diversity.
3. (S-M) Support workforce development, through established public sector programs, to improve workforce skills, knowledge, and abilities.
4. (S-M) Support additional research regarding grading impacts, market feasibility of new wood products and value-added wood products, full resource utilization, and maximizing product manufacturing efficiencies.
5. (S) Provide additional marketing support for high-value wood products manufacturers. Greater access to local markets and greater marketing tools for small operators will improve this segment of the industry.
6. (S) Provide technical assistance for entrepreneurs and small businesses considering new wood products, expanding business operations, or considering other innovative business or product development ideas.

ADDITIONAL RESEARCH NEEDS

AO258, Section 2, Task 9:

Review and submit recommended areas of research related to use of the Tongass National Forest and impacts on wildlife.

1. (S-M) Provide sufficient funding to the Alaska Department of Fish and Game to conduct research necessary for (Appendix 11):
 - o Estimating wolf populations in Game Management Units (GMU) 2 and 3;

- Completing development and evaluation of DNA-based methods for estimating deer population abundance in southeast Alaska; and
- Estimating deer numbers in GMU 3 using DNA-based methods, and assessing causes and rates of mortality.

APPENDICES

- Appendix 1: Administrative Order 258
- Appendix 2: Division of Forestry Engineering Needs for Large Construction Projects (Task 1)
- Appendix 3: Susitna State Forest Public Briefing Paper and Map (Task 2)
- Appendix 4: Review of Alaska Timber Sale Statutes (Task 4)
- Appendix 5: SHPO Evaluation (Task 4)
- Appendix 6: Task 5 Final Report
- Appendix 7: State Lands & Future Exchange (Task 5)
- Appendix 8: Task 6 Final Report
- Appendix 9: Tongass Timber Sale Program 2001-2011 (Task 7)
- Appendix 10: Task 8 Final Report
- Appendix 11: ADF&G Research (Task 9)
- Appendix 12: High Priority Recommendation Matrix
- Appendix 13: Timber Jobs Task Force Preliminary Report to the Governor (9-15-11)

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