

Alaska Board of Forestry 2015 Annual Report to the Governor

A Review of the Alaska Forest Resources and Practices Act: Its Implementation and Effectiveness

May 10, 2016

The Alaska Board of Forestry

The Board of Forestry provides a forum for forest practices issues and management of forests on state land. The Board monitors the implementation and effectiveness of the Forest Resources and Practices Act and reports its findings to the Legislature and Governor. Board members represent the following constituencies:

- ◆ Native Corporations, Ron Wolfe
- ◆ Professional Forester, Wayne Nicolls through
Nov. 6, 2015; Will Putman starting March 14, 2016
- ◆ Recreation, Erin McLarnon
- ◆ Fish & Wildlife Biologist, Matt Cronin
- ◆ Timber Industry, Eric Nichols
- ◆ Fishing Industry, Mark Vinsel
- ◆ Environmental Interests, Chris Stark
- ◆ Mining, Denise Herzog
- ◆ DNR State Forester, Chris Maisch, Chair

2015 Report from the Board of Forestry to the Governor on the Forest Resources and Practices Act (FRPA)

May 10, 2016

Summary

The Board of Forestry is pleased to submit our annual report to the Governor regarding the Forest Resources and Practices Act (FRPA) and forest management issues in Alaska. We find that the Forest Resources & Practices Act, when properly implemented, protects fish habitat and water quality while ensuring that the timber and fishing industries can operate efficiently. Continued effectiveness depends on sufficient funding for the resource agencies to carry out essential duties, and cooperative efforts among the agencies, the Board, and the resource industries to emphasize efficiency in carrying out FRPA responsibilities.

Background

The Alaska Forest Resources and Practices Act (FRPA, AS 41.17) governs how commercial timber harvesting, reforestation, and timber access occur on state, private, and municipal land. The Act is designed to protect fish habitat and water quality and ensure prompt reforestation while providing for an economically viable timber industry.

The FRPA balances economic concerns for the timber industry with water quality and habitat protection needs. The FRPA framework provides certainty and credibility for landowners, operators, and the public, and establishes one-stop shopping for compliance with state and federal clean water standards. This practical approach helps the timber and fishing industries continue to provide long-term jobs.

FRPA effectiveness

The Board of Forestry affirms that the Alaska Forest Resources and Practices Act (FRPA) continues to be an effective means of protecting fish habitat and water quality in a practical manner. We base our finding on the following considerations.

- Excellent results across the state from the State's strong ongoing compliance monitoring program on private, trust, municipal, and state lands.
- Commitment by agencies and landowners to implementation of FRPA standards. For example, in 2015 landowners on Kodiak and Afognak islands eliminated their reforestation backlog. This was a major multi-year effort to address challenges that arose in early operations in this area.
- Twenty years of effectiveness monitoring in Southeast Alaska conducted cooperatively by multiple parties including state and federal agencies, industry, and others led by Sealaska have documented that fish streams remain healthy after logging conducted under the FRPA regulations.

- Forest road condition surveys jointly conducted by the departments of Natural Resources (ADNR) and Fish and Game (ADF&G), and remediation work on sites where problems are identified.
- The Alaska Department of Environmental Conservation (ADEC) maintains the list of waterbodies that do not meet state water quality standards. There are no waterbodies listed as impaired due to forest operations under FRPA.

In addition, the ADNR Division of Forestry, ADF&G Division of Habitat, and ADEC Division of Water all report that the Act is effective in protecting fish habitat and water quality from impacts of forest operations. Their 2015 reports are attached. The Board commends the agencies on their continued efforts to effectively and efficiently administer the Forest Resources and Practices Act. However, for the first time, the 2015 agency reports document increasing impacts of budget cuts on core FRPA implementation work. All three agencies have lost positions that conduct this work. Loss of staff and travel funding caused ADEC and ADNR to conduct fewer field inspections in 2015, and have been unable to address statewide research needs for effectiveness monitoring. Consequently, in March 2015, the Board hosted a Forest Fisheries Forum with a panel of experts in modern forestry fisheries related research. Discussion focused on riparian area research and management, highlighting riparian research and planning needs in Coastal Alaska.

FRPA is important to forest industry operations, and to protection of fish habitat and water quality. Effective implementation depends on agency field presence. Without a credible FRPA program, administrative and legal challenges to timber harvesting on private, municipal, trust, and state land will increase, and the landowners' ability to meet those challenges will weaken. The ADNR report to the Board predicts increased forestry activity on Mental Health Trust land near Icy Bay and on private land in Southeast due to conveyance of Sealaska's final ANCSA lands as a result of federal legislation. This will increase inspection needs in 2016 and 2017. Adequate state funding for the state FRPA program is essential.

The Board would welcome an opportunity to work with the Administration to identify options for funding FRPA work. Board members also want to emphasize that the FRPA represents an agreement between the state and other landowners under which private owners agreed to forgo millions of dollars in revenue from streamside timber to protect public fish and water resources; in return the State agreed to fund the FRPA program for plan reviews, field inspections, and enforcement. The agencies need to be adequately funded and staffed to fulfill this agreement. Members note that FRPA helps maintain salmon production which is a service to other industries, including fishing and tourism. Alaska should consider use of revenue from cruise ships and other sources to help support core FRPA work.

Alaska forest management issues

Southeast Alaska. Land management issues continue to threaten the survival of the timber industry in Southeast Alaska. The industry is an important part of the Southeast economy, particularly in rural areas. Continued decline will lead to further losses of jobs, schools, and services in small Southeast communities, jeopardize the State of Alaska timber sale program, and

threaten timber sale programs that are important sources of revenue for the University of Alaska and Mental Health Trust.

The Board appreciates the dedication of the Governor and the state agencies to maintaining a sustainable Southeast forest industry, and ensuring an adequate supply of timber from federal, state, private, and trust land. Success will require dogged advocacy in litigation, land use planning, timber management, endangered species, and land ownership issues, including the following.

Land use planning

- Tongass land management plan: The Tongass National Forest dominates forest ownership in Southeast Alaska. Any sustainable long-term timber supply must include National Forest timber. We appreciate the State's participation in the Tongass Advisory Committee on young-growth management, and support the focus by the State and the TAC on ensuring that any transition to young-growth management is done in a way that sustains a viable timber industry and wildlife habitat. We ask for the Governor's vigilance in making sure that changes to the Tongass Land Management Plan and implementation of the plan keep this goal front and center.
- Southeast State Forest Management Plan: We welcome the adoption of the state plan and the underlying timber inventory. These documents provide the framework for sustainable management of state timber resources in Southeast.

Litigation

We applaud the State's engagement in litigation to maintain a sufficient commercial timber supply from Tongass National Forest land, including the Roadless Rule and Big Thorne cases. The federal Roadless Rule, if applied to the Tongass National Forest, would reduce the average annual harvest level by more than 60%.¹ Application of the Rule would undercut all other efforts to ensure a sustainable supply of commercial timber from the Tongass. The Big Thorne Timber Sale is the largest timber sale currently proposed on the Tongass and is essential to near-term industry operation.

State Timber management

State timber sales have been critical to maintaining a timber supply while Tongass timber sales are under siege. This year, for the first time, all larger state timber sales have been appealed. These challenges to state sales come at a time when the USFS is putting up record low levels of the timber sales, and add another serious hurdle for the timber industry. The industry cannot continue without a reliable supply.

We are pleased that the Baby Brown timber sale appeal was resolved in the state's favor, and was not litigated. The Vallenar appeal recently remanded parts of the best interest finding to ADNR to complete the Southeast State Forest management plan and timber inventory. Those two documents have now been adopted, and we hope that the revised finding will be issued in a timely manner. The upsurge in appeals may result in some legal challenges, and we encourage the state to defend its program in court if necessary.

¹ Roadless Area Conservation FEIS at http://www.fs.usda.gov/Internet/FSE_DOCUMENTS/fsm8_037653.pdf

Land ownership

In 2015, Sealaska entitlement legislation passed Congress, and the corporation received interim conveyance to new timber land. This is cause for celebration, and is a welcome contribution to efforts to keep Southeast timber operators in business. The Board is also encouraged that the proposed land exchange between the Mental Health Trust and the US Forest Service is progressing. The Board is on record in support of this exchange and asks the Governor to ensure that State actions needed for successful completion of the exchange occur timely, including legislative approval of the final exchange. Other unresolved land issues may present opportunities to help with the survival and sustainability of Southeast Alaska's timber industry. Unresolved issues include creation of a State Forest from a portion of the Tongass and conveyance of lands to the five villages not included in ANCSA; e.g. Haines, Tenakee, Wrangell, Petersburg and Ketchikan.

Endangered Species Act

In late 2015, the US Fish and Wildlife Service declared that the Alexander Archipelago wolf does not merit listing under the Endangered Species Act (ESA). We are heartened by this decision – listing would have had major negative effects on timber management in Southeast. Research conducted by the University of Alaska was crucial in reaching this decision, and we appreciate this effort. The Board is closely watching the process to evaluate whether Alaska yellow-cedar deserves listing and encourages the ADNR to do so as well. An ESA listing for this species would create challenges for the industry, and the departments of Fish and Game and Natural Resources have submitted information that shows listing is not merited, nor would it be effective in addressing issues of yellow-cedar decline.

Wood energy. Wood energy projects are a bright spot in timber management. Across the state, and particularly in rural areas, wood energy projects are reducing costs for schools and village services, providing local jobs, and reducing dependence on imported oil. Many of these projects have benefitted from feasibility analyses, project design, and project construction help through the AEA Renewable Energy Fund. The fund deserves continued support.

Anticipated changes

The Board is charged with informing the Governor of changes needed to the FRPA or its regulations. We would like to highlight two initiatives for 2016.

- Sustainability certification. The Board of Forestry and ADNR are considering options for a voluntary sustainable forestry certification program under the oversight of the Division of Forestry. Certification can open opportunities for timber owners to sell carbon sequestration credits under the California cap-and-trade system, sell ecosystem services credits, and where applicable, to participate in wood markets that require certification. It is imperative that this be a voluntary Alaska program that will serve as an alternative to existing third-party certification programs that are costly, are not tailored to Alaska, and include standards for social issues. A program could fit within existing DOF authority under FRPA and is within its expertise.
- Reforestation regulation amendments. The Board is responsible for ensuring that FRPA and its regulations are effective. The FRPA requirements for reforestation for Interior and Southcentral Alaska were adopted in 1993 when reforestation research for this area was

scarce. Better data is now available, and the Board has charged ADNR and ADF&G with reviewing the new information and determining whether the existing standards need updates. The agencies worked with a Science and Technical Committee to review relevant information and compile and synthesize it into an extensive annotated bibliography, review the existing standards, consider changing potential impacts of changing climatic conditions, and recommend changes where needed. The Committee has completed its tasks, and the agencies are now reviewing their recommendations with a stakeholder group that includes forest landowners and operators, service foresters, wildlife biologists, and interest groups to determine how to implement the scientists' recommendations in a practical manner. The Board anticipates working with the agencies to propose appropriate updates to the regulations in 2016.

Conclusion

The Board endorses the Alaska Forest Resources and Practices Act and its regulations as a practical and effective approach to protecting fish habitat and water quality, ensuring reforestation, and maintaining sustainable timber and fishing industries. We remain committed to ensuring that FRPA reflects the principles of fairness, equitable distribution of costs, enforceability, and professional management, and is based on sound science.

Sincerely,



John "Chris" Maisch, State Forester
Chair, Alaska Board of Forestry

Alaska Board of Forestry

Ron Wolfe, Alaska Native Corporations
Eric Nichols, Forest Industry Trade Association
Chris Stark, Environmental Organization
Erin McLarnon, Recreation Organization
Mark Vinsel, Commercial Fisherman's Organization
Denise Herzog, Mining Organization
Matt Cronin, Non-governmental Professional Fish/Wildlife Biologist
Will Putman, Non-governmental Professional Forester

Attachments

- Annual Report to the Board of Forestry: 2015 Forest Practices Effectiveness. DNR Division of Forestry. February 4, 2016
- 2015 Annual Report to the Board of Forestry. DEC Division of Water. March, 2016
- 2015 Annual Report to the Board of Forestry. ADF&G Habitat Division. March, 2016

Distribution

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State Senators

State Representatives

Senator Lisa Murkowski

Senator Dan Sullivan

Congressman Don Young

Marty Rutherford, Acting Commissioner, Dept. of Natural Resources

Ed Fogels, Deputy Commissioner, Dept. of Natural Resources

Larry Hartig, Commissioner, Dept. of Environmental Conservation

Michelle Hale, Director, DEC Division of Water

Kevin Hanley, DEC Forest Practices

Sam Cotten, Commissioner, Dept. of Fish & Game

David Rogers, Director, ADF&G Habitat Division

Glenn Haight, Board of Fisheries

Beth Pendleton, U.S. Forest Service, Region 10

Alaska Board of Forestry

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Marty Freeman, DOF Board Liaison