

Alaska Board of Forestry 2018 Annual Report to the Governor

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

May 6, 2019

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:

- ◆ DNR State Forester, Chris Maisch, Chair
- ◆ Native Corporations, Jaeleen Kookesh
- ◆ Professional Forester, Will Putman
- ◆ Recreation, Chris Beck
- ◆ Fish & Wildlife Biologist, Bill Morris
- ◆ Timber Industry, Eric Nichols
- ◆ Commercial Fishing, Mark Vinsel
- ◆ Mining, Denise Herzog
- ◆ Environmental Organization, Chris Stark

**2018 Report from the Board of Forestry to the Governor on the Forest
Resources and Practices Act (FRPA)
May 6, 2019**

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. This letter presents our recommendations on five issues:

1. Adequate Funding to Implement the Forest Practices Act
2. Access to Foreign Markets
3. Strengthening Opportunities for Domestic Markets; Reducing Barriers to Timber Harvest
4. Responding to Spruce Bark Beetle Outbreak
5. Support for Timber Harvests on the Tongass National Forest

1. Adequate Funding to Implement the Forest Practices Act

The Forest Resources & Practices Act, when properly implemented, helps the timber and fishing industries to operate profitably and efficiently while protecting fish habitat and water quality . Continued effectiveness depends on sufficient funding for the resource agencies to carry out their respective duties.

Because of reductions in funding allocations to the Department of Environmental Conservation's Division of Water (DOW), DOW staff are no longer able to participate in field monitoring. Alaska now lacks the field presence of one of the three key agencies responsible for ensuring compliance with and effectiveness of the Forest Practices Act. The Board of Forestry strongly recommends providing funding to support part of a water quality position to DOW, to allow DEC to once again participate in FRPA field monitoring. The collaboration among *all three* agencies helps ensure the successful continuation of the Alaska timber and fishing industries.

Background to the Funding Issue

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. The FRPA doesn't issue a permit for activities but relies on commercial forest operator's submittal of a notice of activities via the detailed plan of operations (DPO). DNR is the lead agency and coordinates activities with ADF&G and DEC, and the agencies must act upon the DPO within 30 days. The FRPA depends on a suite of best management practices (BMPs), field inspections by state agency staff and proactive educational efforts to achieve compliance. When required, appropriate enforcement tools are provided by the Act to ensure resources are protected. The net effect of these steps creates an efficient,

practical approach to helping timber and fishing industries continue to provide long-term jobs in support of communities throughout the state.

Forest Practices Act Effectiveness

The Board reviewed the 2018 reports from the departments of Fish and Game, Environmental Conservation, and Natural Resources, and the 2018 compliance monitoring results (see attached reports and briefing papers). Compliance monitoring showed that operators in all regions have high rates of compliance and are implementing the FRPA BMPs properly.

All three agencies reported that FRPA was effective in 2018 in all three FRPA Regions (Region I: Southeast; Region II: Mat-Su/Southwest; Region III: Northern/Copper River). Region I compliance was high with 93% of BMPs evaluated in compliance, although there were individual BMPs which required corrective action. In Southeast, those BMPs were related to yarding near surface waters, classification of surface waters and adequate number of draining structures. Active road maintenance and road closures were excellent. Operators were quick to rectify all deficiencies as they were discovered. Three training sessions were held in Southeast. Operations at Afognak and Kodiak were excellent regarding all BMPs. Region II had very little activity with only three inspections and 88% compliance. Region III had 100% compliance in 2017 for the first time ever but dropped to 82% for 2018. A wet summer contributed to lower scores in the road drainage and road maintenance categories in Region III.

If a problem arises, DNR provides focused training to operators and makes sure that the issues are addressed. Sustainable Salmon Fund grants also helped ADF&G catalog anadromous waters in advance of forest operations in Southeast and on Afognak Island.

The Board would like to emphasize the importance of both healthy timber and fishing industries in Alaska, and to point out that FRPA helps both industries by ensuring the resources they depend on are sustained. Closely monitoring compliance is essential to the effectiveness of FRPA and provides the best opportunity to maintain healthy salmon stocks in areas of Alaska with forestry activities.

This year, DNR and ADF&G cooperated to provide the appropriate field presence for the level of operations in the state. Because of funding reductions to DEC's Division of Water, they were unable to participate in FRPA field inspections. While DEC felt that this year ADF&G and DOF adequately represented their interests in the field, the Board of Forestry does not see this as a long-term solution to meeting DEC's FRPA responsibilities. The number of non-state FRPA inspections was relatively low this year, allowing DNR and ADF&G to collect some water quality data in the field to partially address DEC's water quality maintenance mandates. Moving forward, the number of timber sale inspections are likely to increase again, and water quality protections as intended in FRPA should be firmly in place. The Board hopes that funding to the DEC's Division of Water will be restored so that they are able to participate in fieldwork again. This field presence is an important aspect of FRPA implementation and the "three-legged stool" that provides each agency due deference in their areas of expertise in the administration of the Act. Any additional cuts to the agencies' funding and staff will undercut the effectiveness of FRPA. Interagency compliance monitoring and field work are essential to continued success.

In an effort to cut our own costs to the state budget, the Board of Forestry has changed our practices from attending three in-person meetings a year to conducting two meetings by teleconference, and holding just one in-person meeting a year that incorporates a field visit to important sites in one of the three FRPA regions. We recommend that the Division of Forestry's budget is not reduced further on either its forest resources side or its fire prevention and suppression side.

Enforcement authorities are part of the toolbox for ensuring that FRPA is implemented effectively. This year, DNR issued two enforcement actions, one directive and one stop work order. The Board also recognizes the evidence from prior effectiveness monitoring work (see attached briefing paper) in concluding that the Forest Resources and Practices Act will continue to work well if the three agencies involved are able to participate fully in necessary fieldwork.

2. Access to Foreign Markets

A sustainable forest industry is an important part of a diverse and robust economy in Alaska. At the same time, access to markets is a key part of any industry and tariffs on timber limit access to export markets in China. China is the primary market for young growth logs, which are beginning to be produced in southeast from multiple ownerships. The Board encourages the Administration and Legislature to support a prompt resolution to trade issues at the national level.

3. Strengthening Opportunities for Domestic Markets and Reducing Barriers to Timber Harvest

To support domestic markets, we encourage the Administration to explore strategies to help Alaska generate more of the timber and forest products it uses, especially by supporting local manufacturers of wood products. Uncertainty of supply is another barrier to investment in the Alaska timber industry. The Board supports DOF efforts to respond promptly to the administrative appeals which have delayed state timber sales in previous years, and supports litigation when necessary to reduce barriers to active forest management on federal land.

4. Responding to Spruce Bark Beetle Outbreak

The current spruce beetle outbreak in the Mat-Su and northern Kenai Peninsula has killed mature spruce trees on nearly one million acres since 2016. We support the DOF's efforts to mitigate the impacts of the spruce beetle by coordinating landowner and interagency groups that are now working to mitigate hazards to the public from windfall and wildland fire. The Board also supports the DOF's efforts to find buyers for salvage timber sales in the affected areas, and to find innovative ways to deal with dead and dying timber.

5. Support for Timber Harvests on the Tongass National Forest

We also applaud the state's leadership in efforts to help sustain the timber industry through the Good Neighbor Authority (GNA) agreement, Young-Growth Inventory, and workforce development projects in Southeast, and Forest Inventory Analysis in the Interior. Last year's 30 million foot (MMBF) Koscuisko young-growth timber sale was the first GNA sale held on the Tongass National Forest. The second GNA sale in the Tongass is the 16 MMBF Vallenar Timber Sale. A third agreement with the USFS involves spruce beetle mitigation in the Chugach National Forest. These projects utilize the annually approved legislative "federal authority" for

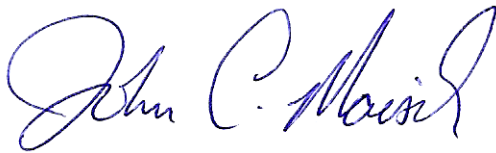
the Division of Forestry to secure and expend federal funds, which allows more flexibility for timber sales across state and federal ownership.

The Mental Health Trust land exchange with the United States Forest Service (USFS) in Southeast Alaska has been approved, helping the domestic side of the timber industry survive in the short term. The exchange includes conveyances of about 2,500 acres of Trust lands around Ketchikan for about 2,400 acres of USFS lands near Naukati, on Prince of Wales Island, and will allow the Trust's timber contract with Viking Lumber to proceed with harvest on the Naukati parcel in 2019.

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 the principles of fairness, equitable distribution of costs, enforceability, and professional management upon which FRPA is based.

Sincerely,

A handwritten signature in blue ink that reads "John C. Maisch". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

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

Alaska Board of Forestry

Jaeleen Kookesh, Alaska Native Corporations
Denise Herzog, Mining Organization
Chris Beck, Recreation Organization
Bill Morris, Non-governmental Professional Fish/Wildlife Biologist
Eric Nichols, Forest Industry Trade Association
Will Putman, Non-governmental Professional Forester
Chris Stark, Environmental Organization
Mark Vinsel, Commercial Fisherman's Organization

Attachments

- 2018 ADF&G Report to the Board of Forestry
- 2018 DEC Report to the Board of Forestry
- 2018 DNR Report to the Board of Forestry
- Compliance monitoring briefing paper
- Effectiveness monitoring briefing paper

Distribution

Governor Michael J. Dunleavy

State Senators

State Representatives

Senator Lisa Murkowski

Senator Dan Sullivan

Congressman Don Young

Corri Feige, Commissioner, Dept. of Natural Resources

Brent Goodrum, Deputy Commissioner, Dept. of Natural Resources

Jason Brune, Commissioner, Dept. of Environmental Conservation

Andrew Sayers-Fay, Director, DEC Division of Water

Gretchen Pikul, DEC Forest Practices

Doug Vincent-Lang, Commissioner, Dept. of Fish & Game

Al Ott, Acting Director, ADF&G Habitat Division

Glenn Haight, Executive Director, Board of Fisheries

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

Alaska Board of Forestry

Alaska State Library

Alison Arians, DOF Board Liaison