

Interior Alaska Timber Inventory Update

FY2007 Request: \$250,000
Reference No: 41417

AP/AL: Appropriation

Project Type: Planning

Category: Development

Location: Fairbanks Areawide

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House District: Fairbanks Areawide (HD 7-11)

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Estimated Project Dates: 07/01/2006 - 06/30/2009

Brief Summary and Statement of Need:

This project updates and expands the forest inventory for Interior Alaska, providing basic data critical to industry investment and will ensure that forests are managed in a sustainable manner. Accurate inventory data and forest type maps are essential to efforts to stimulate value-added processing and will support the "New Growth" initiative. This project directly contributes to DNR's mission by supporting jobs in the timber and allied industries and manages forests in a sustainable manner. End results are a long-term stable flow of timber sales both in number and quantity within allowable cut guidelines.

Funding:	<u>FY2007</u>	<u>FY2008</u>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>Total</u>
Gen Fund	\$250,000						\$250,000
Total:	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

The original timber inventory was developed in the 1980s. In the early 1990's two projects were funded and completed to supplement the original inventory with basic information on the hardwood timber resources (SLA93/Ch79 Forest Inventory \$200.0 GF, SLA94/Ch4 Forest Resource Inventory \$100.0). There has been no funding for inventory in interior Alaska since FY94.

Project Description/Justification:

The 2004 and 2005 fire seasons affected vast areas of the Interior -- over 10 million acres of land has burned in the past 18 months. The Tanana Valley State Forest had significant acreage and timber burned, especially in the Tok and Delta areas. These fires will have both short-term and long-term impacts on forest management. An initial interagency assessment identified burned areas with potential for timber salvage and reforestation and mapped the extent of burned areas on state land. Salvaging burned timber in areas where it is economically feasible is a high short-term priority and is currently underway in the Tok and Delta area offices.

Inventory and mapping work require dedicated staff and funding. New aerial photography and some additional satellite images need to be purchased. Additional fieldwork is needed, with a special emphasis on the hardwood timber resources. Once this data is processed and interpreted, a new forest inventory report can be prepared and published.

In the long-term, DNR must revise it's inventory to accurately establish allowable cut levels and identify management opportunities. DNR has been working with the Fairbanks Economic Development Corporation and Tanana Chiefs Conference, Inc. to summarize and disseminate information on timber resources in the Tanana Valley and stimulate new

value-added processing businesses. This initiative is called: "New Growth, Prospectus for the Forest Products Industry, Interior Alaska". Accurate timber supply information is an essential part of this effort and is necessary to meet our constitutional and statutory mandate for sustainable management of renewable forest resources.

While this project would not produce direct revenue for the state, it lays the foundation for our future timber sale program in Interior Alaska. Over the past three fiscal years, total volume sold and revenue to the state has increased on a year-to-year basis. The timber sale program has supported local mills and allied businesses throughout the state and a steady, consistent supply of logs is an essential component for success. When mills or loggers approach financial institutions for investment capital, one of the first questions asked is about log supply. A forest inventory provides that answer. It's the road map to where, what species, and in what quantity and quality timber is available. Without this information, it is very difficult to obtain the capital required to expand a business.

Forests grow and change over time and without updated inventory data, it becomes more difficult to meet our statutory mandates for forest management. State law requires a sustained yield flow of timber products from state land. This "yield" changes as the forest changes and periodic updates must be made to the forest inventory to ensure this number is accurate and defensible in the event of litigation or appeals that challenge timber harvesting programs. This point alone could save the state significant financial resources in legal and administrative process time, energy, and effort. A proactive forest management program is much more efficient and cost effective than a reactive program, and solid forest inventory information provides the foundation for a proactive program. A credible inventory is an investment in Alaska's forests and the industries that rely on forest resources.

Finally, completed land selections have changed the land base since state lands were inventoried in the 1980's. Some state-selected lands were patented to other owners, or land selections changed in location or size. A recent analysis of Tanana Valley State Forest lands and forestry classified lands in the Tanana Basin shows that as much as 16 percent of the land base inventoried in the original inventory effort is no longer state land, was reclassified, or has been reconfigured. This is a significant area and a cause for concern. These changes could have an impact on the allowable cut from state lands. The impact could be positive or negative for individual parcels of state land.

There is an opportunity to leverage state funds with some private sector money if the New Growth Prospectus continues to achieve positive results. A current private sector partner is interested in the birch and aspen forest resources in the Interior, but the lack of specific inventory data is hampering the project. This company may be willing to fund a portion of an inventory project that would look at these hardwood resources in the required detail. To make an investment decision, information like this is required to conduct a feasibility study and assumptions about log volumes directly affect the scale of an operation. Could a mill process 20 million feet of logs each year, or 40 million? Is the log supply sustainable and what is the quality? Basic questions like these are very important to the outcome of such a study.

Project costs were calculated using acreage and volume data from the 2004 Alaska Fires, Burned Area Emergency Stabilization and Rehabilitation Plan. An interagency group that included DOF completed this document in October 2004. Cost data were obtained from project files at DOF for similar types of work and were updated by knowledgeable forestry staff.

Several alternatives to accomplish this work were examined. Work on other projects, such as the fuels mapping project in the Fairbanks area, will reduce costs for satellite imagery acquisition and image rectification. However, at the current rate, it will take us many years to partially update the forest inventory vegetation type maps as a by-product of this effort. Development of a common base map that can be used for both fire and resource management projects is a high priority and will be continued, but a focused effort on the timber inventory component is needed.

The Division has few year round staff in the timber program and relies heavily on seasonal staff to complete fieldwork. Managers have examined the potential of temporarily assigning year round staff from southeast or southcentral offices, but commitments to the timber sale program in those locations would suffer and local mills would experience disruptions in log supplies as a result. This option was not viable.

The scope of this project is very large, and current staffing and funding levels in the resource management program can only address a small portion of the work suggested by this CIP request. Staff members with the required expertise are fully committed to core Division functions. It may be possible to contract for this work with the private sector, but having staff knowledgeable and trained in this discipline is desirable.

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This is not a life, health or safety issue nor is there any direct linkage to the operating budget. Several long-term non-permanent positions may be created to complete aspects of the project, such as some of the data collection, mapping, and geographic information system (GIS) work. The project does not transfer responsibility to the local or private sector.

Why is this Project Needed Now: This project provides the foundation for the forest management program in Interior Alaska. This program is poised to grow with efforts like the New Growth Prospectus and without this information it will be difficult, if not impossible, to move ahead in the sustainable development of the regions forest resources.

Specific Spending Detail:

	Personal Services	Travel	Services	Comd.	Capital	Total
Forest Inventory Project	100	200	300	400	500	
Forester I, R-14 24 months	30,000					\$30,000
Field Crew, Forest Techs II-IV, 8 months	130,000					\$130,000
Travel, per diem and field work		10,000				\$10,000
Aerial Photography/Satellite Imagery			40,000			\$40,000
Field supplies, flagging, maps				2,000		\$2,000
Helicopter time, agency		25,000				\$25,000
Hardware, computer workstation, software					13,000	\$13,000
Total	\$160,000	\$35,000	\$40,000	\$2,000	\$13,000	\$250,000

Project Support:

- Local timber industry
- Fairbanks North Star Borough
- Fairbanks Economic Development Corporation
- Environmental Community
- Tanana Chiefs Conference, Inc.
- Doyon, Ltd. (Regional Native Corporation)
- Various Village Corporations in the Tanana Basin
- Chamber of Commerce

Project Opposition:

None known.