

AP/AL: Appropriation **Project Type:** Construction
Category: Natural Resources
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Jean Davis
Estimated Project Dates: 07/01/2011 - 06/30/2016 **Contact Phone:** (907)465-2422

Brief Summary and Statement of Need:

This project will develop road access to forest resources to help Alaskans meet rising energy costs through use of a renewable fuel. A dramatic increase in demand requires firewood access road construction to continue meeting demand for both commercial fuel wood timber sales and personal use fuel wood from state lands. Project contributes to the Department's Mission to provide a sustainable supply of forest resources to Alaskans and to the end result of stable or increasing economic, environmental, and social benefits from use of trees and forests. Funds will be used for staff field location and road design, construction project management and contract construction of forest roads.

Funding:	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>FY2016</u>	<u>FY2017</u>	<u>Total</u>
Gen Fund	\$600,000	\$400,000					\$1,000,000
Total:	\$600,000	\$400,000	\$0	\$0	\$0	\$0	\$1,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input checked="" 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
<u>One-Time Startup:</u>	0	
Totals:	0	0

Additional Information / Prior Funding History:

None

Project Description/Justification:

Unlike timber sales for sawlogs and other high value forest products, timber sales for fuel wood and for personal use firewood do not always generate sufficient revenues to cover the full cost of access. In order to continue to meet increasing demand for personal use firewood and commercial timber sales producing fuel wood, the Division of Forestry (DOF) needs to develop additional road infrastructure. This investment will augment the forest roads developed by purchasers of state timber sales, helping maintain the State's ability to meet fuel wood demand and avoid a reduction in fuel wood available to Alaskans. While the state manages abundant forest resources, access is limited particularly in areas where there is high public demand for fuel wood. The project scope would be to strategically open up currently inaccessible timber stands to both commercial and personal use harvest. This project would open new, road-accessible areas for personal use firewood permits and commercial fuel wood harvesting on state land. Target areas include the Mat-Su area, Kenai Peninsula, Tanana Basin, and Copper River Basin – the population areas where demand for timber from state land is highest.

There are many public benefits in having both commercial and personal use fuel wood available. In FY10, 39 small Alaska businesses purchased commercial timber sales from state land to provide fuel wood to Alaskans. By purchasing fuel wood from local vendors, Alaskans are spending energy dollars on locally produced resources, contributing to local employment and improving local economies, while directly addressing escalating energy costs. Many Alaskans choose to provide wood for themselves and depend on access to state timber resources to meet their home heating needs. The lack of access is limiting these opportunities.

Firewood is an important alternative fuel that can help reduce energy costs now. Unlike many alternative fuels, firewood can be made available quickly, uses existing technology, and is feasible in rural areas that are hardest hit by high energy prices. Wood is an Alaska-grown, renewable energy source, with significant side benefits. Harvesting near communities can help reduce wildfire risks at a lower cost than hazardous fuel removal projects. Because regrowth of forests consumes carbon dioxide, replacing fossil fuels with wood fuel also reduces carbon emissions. Modern, EPA-approved wood stoves, pellet stoves, and wood-fired or chip-fired boilers also increase fuel efficiency and reduce particulate emissions.

Improving Alaskan's access to provide firewood to Alaskans contributes to the component mission: "To provide a sustainable supply of forest resources to Alaskans." This project is also in direct support of recently enacted State Energy Policy (HB 306) to encourage economic development by promoting the development of renewable and alternative energy sources, including biomass energy for use by Alaskans. This project contributes to the Department's Mission to provide a sustainable supply of forest resources to Alaskans and to the end result of stable or increasing economic, environmental, and social benefits from use of trees and forests. This project complies with the constitutional direction to make resources available for maximum use consistent with the public interest, and to manage forests sustainably. This project stimulates private sector jobs in logging, road construction and transportation and will provide sufficient access so that the Division can continue to meet growing demand for forest products.

Why is this Project Needed Now?:

This project is needed now to meet significantly increased demand for wood. The Division of Forestry issued more than 1,800 personal use firewood permits in FY 10, up from just 69 in FY 05. The number of businesses purchasing commercial firewood sales also doubled in the last five years, and hardwood timber sales that were available over-the-counter for several years have been bought up in recent months. Millions of dollars of private capital have been invested in wood pellet production facilities in interior Alaska. Interest in wood energy for public buildings and other institutions is also expanding rapidly, and to date more than \$13 million in biomass energy projects have been funded through the state renewable energy fund.

DOF has been able to respond to the increase in demand for fuel wood over the last several years by leveraging existing access developed through the Division's timber sale program. The dramatic increase in personal use fuel wood demand in the last three years has necessitated a reliance on currently accessible forest lands. A shortage of accessible timber stands is now evident and without a means to improve access many Alaskans will find this resource is no longer readily accessible and existing established businesses will flounder due to lack of timber supply.

Specific Spending Detail:

LINE ITEM	DOLLAR AMOUNT	DESCRIPTION (text)
Personal Services	\$ 51,000	Staffing to layout, design, contract, inspect secondary and spur road construction and improvements.
Travel	\$ 10,500	Travel support for harvest road layout and inspections
Services	\$ 533,000	Contract services for road construction, rehabilitation, design services and related.
Commodities	\$ 5,500	Supplies for design, layout and construction management

State Match Required:

NO

YES

Project Support:

Project support expected from Fairbanks North Star Borough, Mat-Su Borough, Kenai Peninsula Borough, City of Delta Junction, Tok and Copper River area communities, Fairbanks Economic Development Council, Tok Umbrella Corporation, Haines Borough, local fire departments, road construction contractors and general public.

Project Opposition:

No specific opposition known. Some environmental organizations may oppose harvesting. Air quality concerns exist around Fairbanks area where wood-burning emissions may conflict with particulate standards for air quality. Replacing old, inefficient stoves and boilers with new, EPA-approved appliances could mitigate air quality impacts.