

MINUTES
SENATE RESOURCES & ENVIRONMENT COMMITTEE

DATE: Monday, February 12, 2018

TIME: 1:30 P.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Bair, Vice Chairman Siddoway, Senators Brackett, Heider, Vick, Bayer, Stennett, and Jordan

ABSENT/ EXCUSED: Senator Johnson

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Bair** called the meeting of the Senate Resources and Environment Committee (Committee) to order at 1:30 p.m.

MINUTES APPROVAL: **Senator Bayer** moved to approve the Minutes of January 29, 2018. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Siddoway** moved to approve the Minutes of January 31, 2018. **Senator Heider** seconded the motion. The motion carried by **voice vote**.

PRESENTATION: **Tom Schultz**, Vice President, Governmental Affairs, Idaho Forest Group (IFG), provided a slide presentation entitled "Increasing Harvest on Idaho's Federal Forest Lands: Improving Ecosystem Health and Idaho's Economy."

Mr. Schultz provided an overview of IFG, as to who they are and how they operate. IFG owns and operates six lumber mills, with five in Idaho and one in Montana. There are over 1,000 employees and IFG paid \$74 million in wages and benefits in 2017.

The bulk of timber purchases in 2017 came from industrial private, followed by small private, followed by the State, and followed by federal lands. The lumber output from the five Idaho mills in 2017 was 1.1 billion board feet. The capacity of those mills is 1.3 billion board feet. They are operating at 80 percent of capacity.

Mr. Schultz said the ownership of Idaho's forest is as follows: federal - 76 percent; private - 14 percent; State - 6 percent; and other - 4 percent. There are 53 million acres of forest in the State, and Idaho has 21 million acres of that. The industry as a whole contributes about \$2 billion to the gross state product and employs about 30,000 people.

There has been about an 80 percent decline in the harvest from national forest in Idaho and the annual tree mortality in Idaho is increasing. **Mr. Schultz** then suggested ways to focus on improving the forest, such as decreasing insect and disease infestations, decreasing the risk of catastrophic fire, and increasing jobs and economic benefits to rural Idaho. Every million board feet of timber harvested in Idaho supports 20 jobs, generates \$3.85 million in goods and services, and \$667,000 in wages.

Mr. Schultz spoke next about the health of the federal forests in Idaho. Out of the 12 million acres suitable for management, 8.8 million acres are at high risk of insect, disease, and fire mortality. However, he stated there is hope. Trends are changing. In 2017, the United States Forest Service (USFS) spent approximately \$24 million managing Idaho national forests. The tools used to accomplish work on the national forests are timber sales contracts, collaborative forest landscape restoration programs, stewardship contracts, and the Good Neighbor Authority (GNA).

In 2014, the farm bill was authorized. Governor C. L. "Butch" Otter designated 1.8 million acres and 50 project areas for treatment. Today, 4 million acres are designated for treatment. Collaborative groups design timber sale projects, the USFS makes the decision, and the State executes the timber sale.

Idaho is leading the way with GNA. There are 11 projects underway in four national forests in Idaho with over 10,000 acres planned to be treated in the next three years. Two projects already sold, adding \$3 million in program income. The goal is to roughly double outputs including timber harvest, habitat enhancement, stream restoration, fish passage, and road maintenance through the State assisting in implementing the various forest plans.

Mr. Schultz queried what would be the impact on Idaho's economy of adding an additional 200 million board feet harvested from federal lands. The benefits for Idaho's citizens would be 2,400 direct jobs in the forest products industry and 2,879 jobs in support industries and retail sales in local communities. The annual labor income would be \$215.14 million, which includes wages, salaries, and benefits.

DISCUSSION:

Senator Stennett inquired about the salvage of impacted areas and how the timber is used. **Mr. Schultz** said lumber is made if it has been harvested quick enough. If the timber has been burnt and is too far gone, it can still be made into wood chips.

Senator Siddoway asked if IFG is working with Congress to try to change some of the federal laws that are enabling some groups to shut the harvest off on some of the timber. **Mr. Schultz** said IFG is looking at some issues that are problematic for the GNA, as well as issues regarding fire fighting.

Senator Brackett said what Mr. Schultz has outlined is very progressive and optimistic; he inquired as to what would cause it to not become a reality. **Mr. Schultz** said leadership and resources are needed, as well as cooperation.

Chairman Bair thanked Mr. Schultz for his presentation and said the next order of business would be to consider the appointments of the four Oil and Gas Conservation Commission applicants.

GUBERNATORIAL APPOINTMENT:

Dr. Renee Breedlovestrout, Moscow, Idaho, was appointed to the Oil and Gas Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2019.

MOTION:

Senator Siddoway moved to send the gubernatorial appointment of Dr. Renee Breedlovestrout to the Oil and Gas Conservation Commission to the floor with recommendation that she be confirmed by the Senate. **Senator Bayer** seconded the motion. The motion carried by **voice vote**. Senator Bayer will be the floor sponsor.

GUBERNATORIAL APPOINTMENT:

James Classen, Boise, Idaho, was appointed to the Oil and Gas Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2021.

- MOTION:** **Senator Heider** moved to send the gubernatorial appointment of James Classen to the Oil and Gas Conservation Commission to the floor with recommendation that he be confirmed by the Senate. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**. Senator Brackett will be the floor sponsor.
- GUBERNATORIAL APPOINTMENT:** Kevin Dickey, Emmett, Idaho, was appointed to the Oil and Gas Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2020.
- MOTION:** **Senator Siddoway** moved to send the gubernatorial appointment of Kevin Dickey to the Oil and Gas Conservation Commission to the floor with recommendation that he be confirmed by the Senate. **Senator Bayer** seconded the motion. The motion carried by **voice vote**. Senator Siddoway will be the floor sponsor.
- GUBERNATORIAL APPOINTMENT:** Marc Shigeta, New Plymouth, Idaho, was appointed to the Oil and Gas Conservation Commission to serve a term commencing July 1, 2017 and expiring July 1, 2021.
- MOTION:** **Senator Vick** moved to send the gubernatorial appointment of Marc Shigeta to the Oil and Gas Conservation Commission to the floor with recommendation that he be confirmed by the Senate. **Senator Bayer** seconded the motion. The motion carried by **voice vote**. Senator Lee will be the floor sponsor.
- RS 26154** **Senator Siddoway** said **RS 26154** is a concurrent resolution rejecting Subsection 901.01 of Docket No. 13-0104-1701, Idaho Department of Fish and Game. This removes language that will limit the Idaho Division of Veterans Services to one big game tag for resident applicants.
- MOTION:** **Senator Siddoway** moved to print **RS 26154**. **Senator Heider** seconded the motion. The motion carried by **voice vote**. Senator Brackett will be the floor sponsor.
- RS 25924C1** **Senator Harris** stated that **RS 25924C1** relates to stockwater rights. This legislation provides for rights to use water for livestock purposes associated with grazing on federally-owned or managed land. It also provides that, when a federal grazing permit is transferred or conveyed to a new owner, the associated stockwater rights may also be conveyed and become appurtenant to the new owner's base property.
- MOTION:** **Senator Brackett** moved to print **RS 25924C1**. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**.
- RS 26078** **Senator Anthon** said **RS 26078** refers to local land use planning. This legislation requires at least 15 days notice, prior to the public hearing date concerning the development proposal, that water delivery entities be notified. This will ensure that water delivery infrastructure, easements, and rights-of-way are not encroached upon as development occurs and the rights of water users are not injured.
- MOTION:** **Senator Stennett** moved to print **RS 26078**. **Senator Bayer** seconded the motion. The motion carried by **voice vote**.
- RS 26121** **Senator Stennett** said **RS 26121** is a concurrent resolution recognizing the fiftieth anniversary of the Wild and Scenic Rivers Act and the contributions that Idahoans have made to the State and the nation. It also states that the federal land management agencies with responsibility over Idaho's wild and scenic rivers direct adequate financial resources and expertise to ensure the ongoing protection, management, utilization and enjoyment of designated wild and scenic rivers in Idaho.
- MOTION:** **Senator Heider** moved to print **RS 26121**. **Senator Bayer** seconded the motion. The motion carried by **voice vote**. **Senator Stennett** will be the floor sponsor.

S 1268 **Paul Arrington**, Executive Director, Idaho Water Users Association (IWUA) presented **S 1268**. This legislation proposes to update the existing drainage districts statutes to allow for the compensation of a drainage commission to be fixed by the board of the drainage district. It also clarifies a limitation on the use of assessments for the payment or retirement of bonds or warrants. Finally, it increases the amount necessary for the sale of property and certain bidding requirements.

MOTION: **Senator Siddoway** moved that **S 1268** be sent to the floor with a **do pass** recommendation. **Senator Brackett** seconded the motion. The motion carried by **voice vote**. **Chairman Bair** will be the floor sponsor.

H 369 **Sam Eaton**, Legal Counsel, Office of the Governor, presented **H 369**. This bill would codify the existing Idaho Roadless Rule Implementation Commission that has been operating for the last decade. Idaho's inventoried roadless areas consist of nearly 9.3 million acres of national forest lands. These roadless areas provide pristine habitat for native wildlife and also provide a significant benefit to Idaho's economy. Pursuant to a Memorandum of Understanding between the USFS and the State, the national forests in Idaho are required to consult with the Commission prior to implementing a project within a roadless area. Because of the breadth of knowledge and expertise on the Commission, the USFS follows the Commission's guidance.

MOTION: **Senator Stennett** moved that **H 369** be sent to the floor with a **do pass** recommendation. **Senator Siddoway** seconded the motion. The motion carried by **voice vote**. **Senator Stennett** will be the floor sponsor.

ADJOURNED: There being no further business at this time, **Chairman Bair** adjourned the meeting at 2:45 p.m.

Senator Bair
Chair

Juanita Budell
Secretary