

**MINUTES**  
**Board of Forestry Meeting**  
**Monday-Tuesday, March 23-24, 2015**  
**DEC Conference Room, Juneau**

**Call to Order and Roll Call.** Chris Maisch, State Forester, called the meeting to order at 8:30 a.m. Remote sites were connected by teleconference and Bridgit software. Members Matt Cronin, Denise Herzog, Erin McLarnon, Eric Nichols, Chris Stark, Mark Vinsel, Ron Wolfe. Tom Boutin was present as an alternate for Wayne Nicolls. A quorum was established.

**Approval of agenda.** (*See handout*) The agenda was unanimously approved with the addition of Commissioner Myers on Tuesday afternoon.

**Public Meeting Notice.** The meeting was noticed by issuing public service announcements and press releases, mailing announcements to interested parties, and posting a notice on the state and Department of Natural Resources (DNR) website (*See handout*). An updated notice was posted online and sent to the mailing list on March 19 announcing the addition of teleconference sites in Chiniak and Kodiak for the public comment period and Kodiak forest practices presentation.

**Approval of Minutes.** The Board reviewed and unanimously approved the December 9, 2014 minutes without change. (*See handout*)

**Announcements.**

- Senate budget subcommittee for DNR meets Tuesday 5:00-7:00
- Society of American Foresters meeting in Fairbanks on forest road issues in the interior, including right-of-way issues in the Fairbanks North Star Borough, and road maintenance needs and responsibilities where forest roads are subsequently used for residential use.

**FRPA budgets and funding.** Kevin Hanley, Department of Environmental Conservation (DEC): The Division of Water is relatively unscathed in the FY16 budget. Two positions are cut in the Governor's budget – one is vacant; the other is involved in 404 permitting assumption. There were no additional cuts in the House budget. The Senate closes out the DEC budget today. The FY15 budget is extremely tight, and all travel is curtailed for the remainder of the fiscal year. Hanley won't be able to participate in the April and June inspections on Kodiak and Afognak islands. He hopes to have enough travel restored in FY16.

FRPA standards are DNR regulations, and DOF knows the water best management practices (BMPs) well. Hanley is confident that water quality will be effectively monitored for these two inspections. Wolfe: DEC involvement was critical in the early days of FRPA, but the roles may have changed over time as the agencies have learned from each other. DEC needs to have a programmatic review function for FRPA even when budgets are tight. Hanley: Every agency is looking for ways to streamline and focusing on requirements under state and federal law. Alaska Pollution Discharge Elimination System permitting (APDES) is taking a huge amount of money and is DEC's top priority since assuming that program. At some time, the DEC budget for FRPA may come up. Even if there isn't a field presence, DEC needs to be involved in plan reviews. Maisch: The agencies have been told to expect additional 8% budget cuts in the

Governor's budget in each of the next two years. We will need to think outside the box on how to administer FRPA with smaller budgets.

Wolfe: is any change likely to the dismal trend on federal funding for FRPA? Hanley: No. APDES is eating up a lot of the available funding. Hanley's position is 60% federally funded under the state-federal program partnership.

Department of Fish and Game. Greg Albrecht (ADF&G Habitat Division): 2014 FRPA activity was all funded from the state General Fund, including funds from DOF for the Reforestation Science and Technical Committee, except for federal funding for road conditions surveys and nominating fish streams to the Anadromous Waters Catalog (AWC). There is no Sustainable Salmon Fund money (SSF) for identifying fish streams next year in southeast; however funding is still available for work on Afognak next year. Under the current proposed budget the Habitat Division budget has been cut about 10%, including two biologist positions. FRPA implementation is still a priority and ADF&G should be able to continue that work. The Division doesn't yet know whether there will be travel restrictions.

Wolfe and Vinsel: Request a briefing to the Board on the SSF, including its purpose, funding priorities, and connection to the Pacific Salmon Treaty. Stark: Alaska has less access to the SSF than in the past.

Division of Forestry (DOF). Maisch: The Governor's budget cut about 8% from the DOF budget with direction to consider statutory requirements, programmatic changes, and revenue in identifying cuts. Low-revenue producing divisions got the biggest cuts. The Governor's budget cuts focused on the fire program, particularly a major reduction of the McGrath office and deletion of the fire training academy program. It also cut one Southeast forester, combined Haines and SSE offices, and cut one admin position in Palmer. The House Finance Subcommittee cut another \$1.7 MM, which would close all Southeast offices, reduce resource management positions in the Kenai, Delta, and Mat-Su areas, make the Copper River Area Forester a seasonal position, and cut the forest planner, deputy director, and intern positions. DOF stressed that the Southern Southeast Area (SSE) is the main revenue producer in DOF, and the House budget restored timber sale receipt authority to fund three positions in Ketchikan and one in Juneau. The Juneau person would be a statewide FRPA position. The Senate is working on its budget which will then go to conference committee. DOF is currently down 27 filled positions. Maisch wants to get at least one upper Tanana Forester II back, one position in Haines, and the deputy director reinstated. The Governor reiterated support for restoring the House budget cuts. DNR will start working on redesigning the department in anticipation of additional cuts in future years. The House cuts deemed the DOF timber management function of low importance.

Vinsel: Is the oil pipeline fire-proof? Maisch: It is fire-resistant as long as oil is moving. If the oil stops, you can get an explosion. Communication nodes are more sensitive. DOF tries to burn out around them when fires occur.

Nichols: What will DOF do five years from now when trained people leave, DOF loses experience, and there is difficulty recruiting new staff. Maisch: It is tough – there is not a lot of leadership developing because people who get training in DNR move on to better paid jobs

elsewhere. The Tier IV benefits program doesn't help. There will be opportunities for people to step up. The legislature is not philosophically opposed to the state timber program, but it is a low revenue producer and there is a big budget deficit. DOF will bring in about \$1.5 million next year with the larger sales in the Southeast "bridge timber" program.

Boutin: There is only one legislator from Southeast on either finance committee, and few Southeast majority legislators. The timber industry started losing power in the 1990s. Younger legislators aren't familiar with the prior timber industry.

Boutin: Does closing the McGrath operation change relations with Bureau of Land Management Alaska Fire Service? Maisch: DOF will keep a 6-person staff in McGrath to keep the facility ready to go. DOF can increase McGrath staffing in times of high fire danger, and can provide fire protection. Reducing the McGrath base has big impact on the community. DOF still protects a disproportionate acreage of land based on land ownership, although we get reimbursed for it. The agencies may revise state-federal protection boundaries.

Maisch: The phytosanitary certificate that is required for wood exports to China is provided through a USDA inspector in DEC. That position is currently cut. The State is proposing reinstating for the position for a year to allow time to transition to a fee-based program. The certificate is important to Sealaska, A-1 Timber, Alcan, and the Viking mill.

**State consideration of 404 program assumption.** Michelle Hale, DEC Div. of Water director: Chris Foley has retired; Will Collingwood is managing the log transfer facility General Permits, and they have been reissued.

DEC has neatly wrapped up the 404 work done so that it can be re-started in the future if funding becomes available. The big issue in Alaska is wetlands mitigation – it's more important than assuming the program and the issues may get worse. Preservation has become the preferred option in Alaska because there are few options for remediation. Under the current program, developing one acre often requires acquisition of multiple acres for mitigation. Sara Longan, DNR Office of Project Management & Permitting (OPMP), is doing a good job exploring options. DNR is now in charge of this effort and they are running with it. DEC and DNR can apply for relatively small grants from EPA to move forward with wetland mitigation and other elements of wetlands program development.

Cronin: This is tied to philosophies on land ownership rights. He encourages discussion of this issue. There's a difference between direct impacts to wetlands and private land use.

Wolfe: The ability to work through mitigation issues depends on who is working on them for the Corps of Engineers. Hale: The Corps has had a huge turnover and brain drain. They are starting to get a more solid group of people there, but have not solidified their view of mitigation in Alaska. It's a very difficult agency to work with.

Nichols: Mitigation has moved from finding land to mitigate to "just pay cash." It makes development much more difficult and we don't know where money goes. Mitigation decisions all come late in the development process. Hale: There are mitigation banks and in-lieu fees.

With fees, you pay before the land is purchased. Costs are very high. DNR and the Corps are looking into what makes sense in Alaska – it doesn't make sense to just lock things up when there is so little developable land. Alaska is looking at beefing up the state 401 certification to increase its role in permitting decisions. The process has been cobbled together over time and it winds up being land use planning that doesn't occur through a public land use planning process.

Legislation. Maisch reported on the bill to simplify authorities for timber sales (CSSB32 Senate Resources, *see handout*). The proposed changes were previously included in the Susitna State Forest bill and were supported by the Board. The Legislature has held two hearings on the bill, which has received broad support. One Tok mill opposes the bill although it has been a prior beneficiary of these provisions. Alcan would like similar opportunities for negotiation with operations for export. It will be difficult to supply Viking mill with timber without this provision. DOF still prefers to use competitive sales where there is competitive interest. The negotiated option is used relatively rarely.

Region II-III Reforestation standards review. Marty Freeman, DOF: The Reforestation Science & Technical Committee (S&TC) met on February 4 (*see handout of minutes*). The meeting included:

- a presentation on assisted migration and provenance trials,
- final review of the compilation and synthesis of background information (*see Reforestation Bibliography Section Summaries handout*), and
- review of the existing reforestation standards and issues list.

Meetings are scheduled for April 20 and May 6 to work on recommendations for reforestation standards.

Public outreach continues; all meeting minutes are provided to the mail and e-mail list of 350 individuals, organizations, local governments, agencies, and landowners. Webinar presentations, the draft bibliography and cross-reference index are all posted on the DOF website. The co-chairs also have a “technical experts” list of 50 scientists and land managers who were invited to review and contribute to the bibliography, and to attend the webinars, and over 20 participated in one or more of the webinars.

Nichols: Landowners will have to do precommercial thinning if the regulations require 450 seedlings/acre. Grass competition is a problem. Freeman: The seedling stocking is a topic of discussion for the S&TC. Some natural thinning occurs as seedlings grow. Stocking targets are lower where residual trees are left – the target for trees >9”dbh is 120 trees/acre.

**Annual compliance monitoring report.** Joel Nudelman, DOF: The 2014 overall rating for Region I was 4.8; it has been consistently high. Only 3.9% of the ratings were less than 4 (*see handout*). The agencies inspected every operation in Region I, including those on Sealaska, Leisnoi, Afognak Native Corporation, and Mental Health Trust lands. Only one road BMP was rated less than 4 – one operator had trouble removing material during road closeout. DOF worked with them and cleared up the problem. The biggest operations are on Kodiak and Afognak islands, which DOF, ADF&G, and DEC visited every six weeks.

Region II scores averaged 4.7, with 7% of the total BMPs rated less than 4. Inspections included Kenai and Mat-Su borough land. The BMPs that rated less than 4 related to end-hauling and disposal of materials during road construction. DOF worked with the operators and they fixed the problems. On state land, one of the two operations required close oversight. Most Region II operations are outside of anadromous habitat. Some involve ice-road construction. Compliance has improved over time.

In Region III the average score was 4.2 and 15.5% of the BMPs were rated less than 4. All but one inspection was on state land. Most issues deal with road drainage, especially in the Standard Creek area. The summer of 2014 was very wet in the Interior – maintenance operators did a good job, but it was hard to keep up with the impacts of multiple sales, non-timber road use, and wet weather. One bridge has been problematic – it is too short. New road construction was pretty good. There is little good rock in the Tanana Valley. DOF is identifying new rock sources. Toghothele finished up its operation; Tetlin harvesting is ongoing. There is usually a little activity on Fairbanks North Star Borough land. Maisch: June and July were the wettest months on record. DOF put in a supplemental request for emergency road repairs – so far the request is still alive, and would allow DOF to address the worst problems.

Slenkamp: A 3 rating does not necessarily indicate a water quality degradation problem.

Nudelman: Where erosion is occurring along roads, seeding may be required. The FRPA regulations don't require use of native species for seeding, but biologists have requested that and operators have complied with the recommendations. Operators haven't used fertilizer for remediation in recent years. Hanley: Fertilization hasn't been a big issue on streams because they are naturally nutrient-deficient in this area.

Wolfe: The compliance monitoring program and report are extremely important to FRPA. The monitoring history demonstrates a successful FRPA, and that story should be told. The compliance monitoring briefing paper summary should be moved to the beginning. The Region III situation shows the importance of monitoring – problems were identified and DOF was able to request funding in a timely manner.

**Kenai Road condition survey report** (*see handout*). Nudelman: A final report on fish habitat information from the survey was submitted to the Alaska Sustainable Salmon Fund (AKSSSF) on March 1. Data will all be available on the ADF&G Fish Passage Monitoring website. Reforestation info will be part of a subsequent report. The survey sampled nearly all the road system with fish habitat except inaccessible streams at Windy Bay. An ADF&G habitat biologist was present on every survey and conducted the stream classifications. Ground surveys were done on 432 miles out of 620 miles of forest road. Every culvert was rated for fish passage and FRPA best management practices and categorized by what standards were applicable at the time of installation.

Only 45% of the culverts rated 3 or 4 – much lower than the results for the Southeast road condition survey primarily due to better maintenance in Southeast. Six culverts that were originally low-rated were repaired during the course of the survey. Activity is underway to

replace or remove some of the low-rated culverts. 73% of the culverts were on anadromous fish streams.

Thirty-four of the 37 bridges were on anadromous streams. Of these, 31 were in compliance; six need follow-up work or removal.

DOF is encouraging private owners to do Forest Stewardship Plans, which can help obtain remediation funding from the Natural Resources Conservation Service. The Tyonek Native Association plan is complete; Cook Inlet Region, Inc. (CIRI) and Port Graham plans are underway and have incorporated the survey info. CIRI and Tyonek have already worked on fixing or removing culverts. Nudelman has contacted the Bureau of Indian Affairs about one culvert on a native allotment.

DOF has put together an AKSSSF proposal to replace one culvert and assess upstream habitat on others. It was rejected due to US Fish and Wildlife Service (USFWS) concerns about introducing pike. DOF is working with the USFWS and ADF&G and will resubmit the proposal. Surveys, referred to as assessments in the grant RFP, are no longer an AKSSSF priority. DOF and ADF&G will do the upstream habitat surveys in-house and do design work on replacement or identify road segments to be put to bed.

Maisch: Road maps that are available to the public should note that roads on private land are not necessarily open to the public.

Stark: How did the agencies address differences in various species, e.g., making sure that sampling was done at appropriate times to find them when determining presence of fish?

Nudelman: There's more detail on species in the data; ADF&G biologists made the determination and documented the specifics for inclusion in the Anadromous Waters Catalog.

Wolfe: Include a short executive summary or bullet points in the introduction to the report.

**Willer-Kash post-harvest monitoring proposal.** Jim Eleazer, DOF Forest Resources Program Manager: The Mat-Su Salmon Fish Habitat Partnership has funded this study and work will start in May. It is designed to evaluate FRPA effectiveness in protecting water quality and fish habitat, looking at BMPs for riparian areas, road construction, and maintenance. Relatively little research and effectiveness monitoring has occurred in Region II. ATV trails are a big issue, so the project will assess ATV stream crossing impacts.

DEC and USFWS funded a pre-harvest study of physical, chemical, and macroinvertebrate stream characteristics and salmon abundance on the same sites. The study was designed for periodic resampling. Harvesting has now occurred and resampling will be done at three of the four original sites – the 4<sup>th</sup> is only helicopter accessible. Less harvesting has occurred than originally anticipated. Extreme flows occurred in 2012. It will be interesting to see how the non-harvested streams have changed as well as evaluating harvest effects.

Wolfe: It would be worth reviewing the study parameters in comparison with those from the SE monitoring and evaluation study. Does study design include caution about a single year post-

harvest comparison? Eleazer: That will be more important in the final report. The draft report will be circulated to the Board.

Stark: Will the same people be on the ground, or will it be different individuals? Eleazer: Jeff Davis will again be leading the surveys. Instruments will go in during May with sampling throughout the summer. The draft report is due in January 2016 and the final in March 2016. Resurvey in future years is desirable, but will depend on future funding.

Stark: Can the Board review the study plan? Eleazer handed out the study and will get the pre-harvest study report to Stark.

**Fairbanks meeting on FRPA.** Eleazer and Jim Schwarber (DOF Forest Planner): – DOF held a meeting to discuss Region III forest practices in conjunction with a Tanana Valley State Forest Citizens Advisory Committee meeting (*see handout*). The meeting was well-attended. It was largely an informational meeting as many attendees did not have in-depth knowledge on FRPA. Participants raised concerns over:

- Adequate funding for FRPA fieldwork
- Lower Region III compliance scores
- Implementation with large-scale biomass projects.

DOF plans a follow-up information session on FRPA in Fairbanks, and possibly other sites.

**Alaska Energy Authority (AEA) Wood Energy project updates.** Devany Plentovich, AEA Program Manager for biomass: The performance standards for new residential wood heaters have been finalized. They anticipate increased wood use efficiency and significant reductions in carbon monoxide, particulates, and volatile organic compounds. Full implementation of standards and emission testing will occur in five years. Nichols: There isn't information on the costs of the increased efficiency.

Round 8 draft recommendations for Renewable Energy Fund Biomass projects: The top ten projects recommended for funding are from Tlingit-Haida Central Council, Southeast Island School District, Hoonah, Hydaburg, Kotzebue, Ambler, Klawock, Huslia, Tazlina, and the Fairbanks-Nenana area. Three Projects in Craig and the Ketchikan Gateway Borough are also recommended, but there may not be enough funding for them this year.

Alaska Wood Energy Development Task Group:

- 12 feasibility studies were completed in 2014. Funding is approved for six 2015 feasibility studies in Talkeetna, Nome, Rampart, Cordova, Kodiak, and Ouzinkie.
- Training will occur in April for five new cordwood systems in various communities.
- The Mentasta chip system is operating well; they plan to start their own chipping this summer.

**DOF – Northern Region.** Paul Maki, Acting Fairbanks Area Forester: DOF has consolidated the Fairbanks-Delta and Tok-Copper River area offices. Recent work includes:

- Final Best Interest Finding (BIF) for negotiated sale for value-added processing to Superior Pellets; the Forest Land Use Plan (FLUP) is in process. Superior Pellets is making compressed logs and pellets.

- Finished winter road and three ice bridges to Salcha salvage area
- Mississippi Fire Salvage by Logging and Milling Associates. Winter conditions for salvage and ice road access have been good. Logs are going to the Superior Pellet mill.
- Salvage from the 2010 Gilles Creek Fire Salvage. Wood is going to the local firewood market.
- Five sales with about 6,000 acres sold in the Eagle Trail Fire and 2012 Blowdown salvage sales in Tok area.
- Crushing to enhance aspen growth on 1,200 acres is underway as part of a grouse and moose habitat enhancement project in the 1990 Tok Fire area.
- Tree removal on the approach to the Cordova airport is providing wood to local users. This is a five-year project in partnership with the state Department of Transportation (DOT) and the US Forest Service (USFS).
- Sixteen firewood areas open on state land in the Valdez/Copper River Area (V/CRA).
- The V/CRA Tolsona Bench sale is using a snow and ice road approach to the highway that is the first one approved by DOT. Several access projects are in planning and development.
- Interior Biomass Sampling project in cooperation with the USFS Sitka research lab.
- Timber inventory for Galena biomass resources.
- Changing DOF's GIS structure to improve agency and public usability.

**Adjourn Day 1:** 12:15 p.m.

**Reconvene Day 2:** 8:00 a.m.

### **Southeast forest management issues**

Roadless Rule update. Tom Lenhart, AGO: The case to argue the merits of the Roadless Rule issue in Alaska has been remanded and the State will have the opportunity to make its case. The State awaits the results of the en banc hearing on the Alaska exemption to the Roadless Rule.

Big Thorne Timber Sale. Judge Beistline ruled in favor of the USFS on the sales (*see handout*). His strong ruling clarified that the USFS manages for viability rather than sustainability. Viability is maintenance of sufficient numbers of wolves to avoid extirpation of the species from the forest. USFS had previously estimated that level as five wolves/square mile. He acknowledged the USFS obligation under the Tongass Timber Reform Act to seek to meet demand and manage for multiple uses. An appeal to the Ninth Circuit and request for injunction are likely. The case is solid, but the outcome of any appeal is uncertain. A short-term stay to allow time to consider a preliminary injunction that would last until the case is resolved is possible. Earth Justice, on behalf of the Southeast Alaska Conservation Council and other plaintiffs, filed suits on the Record of Decision (ROD) and the 2008 Tongass Land Management Plan (TLMP) deer standard and guideline; a third suit was filed by Cascadia Wildlands for Greenpeace and others on both the Big Thorne timber sale and TLMP. The judge consolidated the three cases.

Cronin: Where does USFS authority for wildlife come from? Lenhart: There are federal requirements for wildlife management under the National Forest Management Act (NFMA).

Cronin: A case in Montana showed that ESA for grizzly bears being applied to stop a State timber sale on State forest, with no federal nexus. K. Hanley: The USFS standard under NFMA also requires species to be “well-distributed.” Lenhart: Different approaches that have been used in various cases.

Nichols: Does the number of intervenors have an influence on this case? Lenhart: We believe it did have an effect. Most of the case was based on the comments of a former state biologist that were not in the record. It was important to have Viking Lumber involved to document impacts of not approving the sale.

Tongass Advisory Committee (TAC) and Tongass planning. Nichols: Repetitive litigation is a major factor in limiting federal timber supply and has pushed the USFS toward harvesting young growth. The litigants in the Big Thorne case now say that large young growth sales are also unacceptable; transitioning to young growth won’t prevent litigation. The TAC reached consensus on relaxing standards for young growth management. Tongass National Forest has 3.6 million acres of land tentatively suitable for harvest, of which only 600,000 acres have been cut. Approximately 270,000 acres of young growth are suitable for harvest. That could expand by allowing harvest to occur sooner, and managing some buffers. The Tongass could produce a 100 MMBF sustainable harvest level with the relaxed standards. The TAC recommendation will be included in the USFS alternatives for the plan revision. Maisch: The TAC is very concerned about how the final plan will actually be implemented, especially in the light of litigation. Congress is increasingly interested in considering new rules under NFMA. The Tongass process is a bellwether for what is happening nationally. Nichols: Timber management occurs on what is left after every other resource is considered and litigation is complete.

Boutin: The state hasn’t always participated in Tongass issues and has a \$3.5 billion deficit. Have the resources DNR puts into Tongass issues brought returns? Maisch: The FY16 Governor’s budget cuts the DNR Tongass program and the state Tongass team that is coordinated by OPMP. The State will still comment on Tongass issues. The USFS finds state involvement valuable. Two large Tongass sales have come out that were economically viable (Log Jam and Big Thorne). USFS is a big bureaucracy and difficult to change. State involvement and a unified voice from state agencies were important in litigation. However, return on investment has been low.

Nichols: The industry has shrunk. If the State hadn’t intervened, the remaining sawmill and timber industry in Alaska would not be there today. No one landowner has the volume to support the industry alone. Without the mill, landowners like the University, State, and Mental Health Trust lose markets and value for their timber. Boutin: The DNR and Law activities have been funded by oil revenue that is no longer be available. Is there some other way to continue this? Nichols: If the timber industry goes down, it’s a loss of \$80 - \$100 million to the Alaska economy, primarily in Southeast. The state will have to pick up the pieces for unemployment and other impacts. Wolfe: There’s also a multiplier effect that impacts schools, barging, and other services. Maisch: The USFS may be able to provide some support. DOF can continue its efforts on the Tongass plan amendment process for one more year with existing capital funds. Wolfe: The unified voice from the state is critically important. The Board’s role in the Tongass has been fuzzy but important. We need to constantly communicate that FRPA is effective and

well-implemented. He encourages DOF to do so. Nichols: There are complaints on the TAC that the “one voice” policy “muzzles the biologists”. Vinsel: Information from local biologists on site specifics is important and we don’t want to lose that. Stark: Hiding other voices is a real problem on the Yukon fisheries issues -- if you don’t hear them, you get blind-sided. Nichols: Is that an issue of making sure those voices are heard within the agencies?

Cronin: There is a difference between science and policy. The officials have to make the policy decisions, not the scientists.

Vinsel: The Empire article reads that most of the Big Thorne sale will go to Viking Lumber and the rest to “mom and pops”, but Viking is actually a small value-added processor which is what the conservation community says they want.

Sylvia Kreel, DNR Office of Project Management and Permitting, is the new State Tongass Team leader and is involved with Chugach and Tongass national forest planning. The Tongass amendment is moving forward and developing alternatives. They will include the alternative the state proposed last fall, the TAC alternative, and other alternatives. The ROD is scheduled in 2016. The Chugach is doing a full plan revision which has more steps. The assessment came out in November. The USFS plans to initiate the National Environmental Policy Act (NEPA) process with public meetings in late spring, and hopes to finish in 2016. The Chugach Supervisor appreciates the single point of contact for the State and is looking at options for continuing that. The State has not been asked to be a cooperator, but without a budget for a coordinator, the State hasn’t pursued that. The Chugach is one of the early adopters for the new USFS planning rules. The Board requested info on the acreage and location of Chugach commercial forest and how many have been logged. Sarah Campen (Tongass Collaborative Stewardship Group): The new Tongass Forest Supervisor will be Earl Stewart; he is arriving from Arizona.

Lieutenant Governor Byron Mallott visited the Board meeting and thanked the Board for their service.

Road management options on forest land covered by FRPA. Mike Curran, Coastal Regional Forester summarized the current regulations (*see handout on road regulations*). See FRPA for the definition of “significant impairment of productivity of land and water.” BMPs are designed for the use associated with active forest operations. Maintenance is required to keep an inactive road. Landowners and operators are not subject to liability for damage from public use of a road unless directed by DOF to conduct maintenance. Nichols: The private industry is required to meet road standards whether they have the funds or not, but the state doesn’t do it if they don’t have the budget. Curran: If funds aren’t available for maintenance, the road should be closed and it is then exempt from maintenance requirements. Wolfe: If a landowner closes a road appropriately under the regulations and there is degradation, the owner is responsible to fix the problem, but is not liable to other penalties. Nichols: There’s a misconception that closure protects the owner from liability, but that’s not clear, and there’s push-back from citizens who want to use the road. The BMP language is good, but there are questions in how they are implemented on the ground. Curran: That’s a training issue to make sure agencies are clear on active vs. inactive roads. On an inactive road there’s incidental use but not heavy equipment use.

Nichols: Landowners also need training. Curran: The key is whether there is “significant adverse effect” on fish habitat or water quality. Maintenance on an inactive road should last a long time with just incidental checks and work to make sure culverts aren’t plugged, etc. Nichols agreed; Southeast roads are built with two feet of shot rock; they are different from Interior dirt roads. Curran: There’s a balance between maintaining an inactive road between entries and rebuilding a road after closure. On state land, there is a different issue because of public use, and the level of public use that can occur without losing the 404 silvicultural exemption. A forest road can evolve into a public road which has different standards outside FRPA. Maisch: DOF recognizes problems with Region III roads not being up to snuff under FRPA. DOF has closed some road segments, e.g., due to bridge problems. There is an SAF forum this week to talk about road issues in the interior that receive public use. Wolfe: The 404 exemption is a significant issue, especially when coupled with mitigation requirements.

The Working Forest Group (TWFG) update. McLarnon (TWFG Interim Director): TWFG’s updated mission is, “To educate Alaskans by implementing and promoting active forest management.” The Group is working on a report on retooling the industry for young growth use. Sealaska is refining the growth model. TWFG initiated a letter-writing campaign supporting continued old growth harvesting and got 47 letters. Nichols: the letters from the TWFG campaign was helpful in broadening the discussion on the TAC. McLarnon: The Group is trying to find ways to help the timber industry as a whole. Slenkamp: TWFG is working on promoting multiple use management. The State, trusts, and Native corporations are the only significant non-federal owners in Alaska; other states which have more private forest owners.

Cronin: Does the Governor have a position on transitioning to young-growth management? Maisch: There is no official position on Tongass policy at this time. As a TAC member for the state, Maisch supports a transition, but only with sufficient time. Cronin: It’s not smart to limit harvesting to just young-growth. Maisch: The markets will ultimately decide whether significant amounts of old growth are harvested. Markets are shifting to young growth. Boutin: In 2011, The Alaska SAF sent a panel of foresters to the national convention. The findings of that panel are still applicable.

Certification of legal procurement. The State gets requests from landowners to certify legal procurement and harvesting for exported timber. DOF can’t track logs throughout the chain of custody, but can certify compliance with FRPA (*see handout*). The certificate includes compliance with Detailed Plan of Operation (DPO) requirements which include signatures from landowner and timber owner. DOF has used this form since about 2006 when requested by timber exporters. Wolfe: The certificate has been satisfactory, and DOF has been timely responding to landowner requests. This is very important to operators. Nichols: It has helped push back third-party certification requirements. The Lacey Act holds companies liable if they are dealing with illegally procured wood.

Sealaska entitlement legislation. Wolfe reported that the act passed after five Congresses. The interim conveyance has been issued for the economic development land which is very important for Sealaska to continue to operate.

Nichols: The same bill also had a provision to allow harvest of some timber prior to culmination of mean annual increment (CMAI) which will be critical to the transition to young growth, and some land was added to Tongass Land Use Designation 2 (LUD2) designations. Nichols is now hearing that the Sealaska settlement affected old growth reserves in the Tongass and therefore the conservation strategy needs reconsideration. Wolfe: The Roadless Rule implementation has a far bigger effect on the conservation strategy.

Wolfe: Key funding for the Forest Fisheries Forum yesterday was provided by Sealaska. Budgets are difficult for Sealaska as well as for the agencies.

Mental Health Trust–USFS land exchange. Paul Slenkamp, Mental Health Trust (MHT) Land Office: The land exchange feasibility analysis was signed by the Tongass and awaits upper level signature on the Agreement to Initiate. The MHT has done collaborative effort with Southeast communities that have MHT lands in their viewshed. The Trust has heard that environmental groups may still oppose the exchange and litigate. The best case scenario would be 2-1/2 years to complete the NEPA and valuation processes and move to conveyance.

Sealaska Timber purchased the 4 MMBF Control Lake sale. Alcan has an ongoing MHT sale at Kasaan. Sealaska Timber is starting operations on the 75 MMBF Icy Bay sale.

The University, MHT, and DNR are developing a statement of intent to preserve and share use of infrastructure in Southeast. They hope to bring in Sealaska and USFS as well. Infrastructure is necessary to retain a timber industry. MHT assets won't have value without a timber industry, and it's in the Trust's interest to help keep the industry growing.

#### **Division of Forestry update – Coastal Region. Curran:**

- Mat-Su: There were no bidders on three sales in the winter auction. DOF is drafting the BIF for sales for next year across the Little Susitna using the winter road that was pioneered last year. Operators currently have enough other wood, largely from sites being cleared for development. Those supplies are running out. The market is primarily for commercial and personal use firewood.
- Kenai-Kodiak: On the Kenai Peninsula, DOF sold one commercial firewood sale, two others are available over-the-counter. No viable sawlog stands left due to the spruce bark beetle infestation. DOF is focusing on clean-up and salvage of beetle-killed wood and blowdown. FRPA inspections on Kodiak and Afognak operations continue.
- A lot of land is already snow-free from Big Lake south. DOF is already responding with initial attack on small fires.
- Haines: DOF sold the 3.5 MMBF Glacier Side II sale to Tongard. The Final BIF for the Baby Brown sale covers 16-18 MMBF which can be offered in multiple sales. The appeal period is currently open. This is the first sale over 1 MMBF in about 18 years. The associated road will provide new access to other areas.
- FRPA oversight for the MHT timber sale at Icy Bay will be covered by Haines or Juneau DOF staff.
- Southern Southeast (SSE): Edna Bay, Coffman Cove, and Vallenar BIF comment periods closed. Viking Lumber purchased the 3 MMBF South Thorne Bay sale. DOF has completed

or is going through the public process for public review of close to 50MMBF that will be sold over 5-7 years. The rate of sale will depend in part on the level of federal sales.

- The annual allowable cut for the SSE Area is 12.8 MMBF; for Haines it is 4.5 MMBF. Both areas are managed on a decadal basis. Some surplus volume accumulated in recent years. SSE is land south of Hobart Bay. Haines forests are transitional to interior timber, and the quality is lower.

Wolfe: Please provide a one-page summary of state sales in Haines and SSE. Hanley: How will small operators get wood if the budget eliminates staff in Haines? Curran: DOF is developing options that would use foresters in other locations.

### **Annual agency reports.**

DEC Division of Water. K. Hanley: DEC reviewed all DPOs, FLUPs, BIFs, and Tongass NEPA documents for timber sales and restoration. Hanley participated in FRPA inspections on Kodiak and Afognak. The FY15 budget is so tight that DEC is considering furloughs, and no additional FRPA travel is funded. The FY16 has no additional cuts that affect FRPA work. DEC FRPA activity is funded through the federal Performance Partnership Grant. Maisch: Would like info to Board on FY 16 budget numbers.

DEC continues to believe that when properly implemented, FRPA and its regulations are effective at protecting water quality. DEC doesn't recommend changes to FRPA at this time.

Boutin: Alaska would need oil prices of about \$155/barrel to balance the budget in FY16 – a far cry from current prices.

Vinsel: Will the travel restrictions affect FRPA implementation on Kodiak. Hanley: There haven't been water quality concerns that require monitoring at Kodiak. There are always minor problems. Relative to other coastal forests, the stream density at Chiniak is extremely low. There are fish streams there, but they are much scarcer. Hanley has attended inspections when they got into major fish-bearing waters. There are periodic road maintenance issues, but they correct them promptly.

ADF&G Habitat Division. Albrecht: ADF&G

- Responded to all DOF requests for document reviews and site visits.
- Catalogued or corrected 69 streams, including 95 in Kenai and Afognak. ADF&G did a lot of field work on MHT land in Icy Bay, and some in Wrangell and Haines.
- Participated in Kenai Road Condition Survey, Region II-III Reforestation Science & Technical Committee, and Fairbanks FRPA implementation workshop
- Participated in State Tongass Team on state alternative for Tongass plan.

Habitat Division priorities are anadromous water catalog updates, special areas permitting, fish habitat permitting, and FRPA implementation.

ADF&G is satisfied with the ability of FRPA to provide the protections outlined in the statute when properly implemented.

Stark: Will budget losses affect ADF&G ability to participate in FRPA? If so, what happens to forest operations? Maisch: State involvement in federal issues will drop off first because it's not

a core mission. The resource agencies intend to continue to conduct FRPA work, but need to coordinate among the agencies. Stark: Is it time for the private sector to step up and help fund inspections? Maisch: Some “pay as you go” plan may be needed. Nichols: ADF&G is critical for variance requests and stream classification. Stark: There may be less expensive ways to do fish habitat identifications, e.g. through the private sector.

Cronin: How do natural sediments play into concerns over sediment impacts under FRPA – e.g., volcanic ash and glacial rivers? Hanley: Fish use glacial rivers for transportation, but not as spawning and rearing areas, which are sensitive to sedimentation. Nichols: There’s some natural sedimentation during major rain events with or without disturbance and it’s sometimes hard to distinguish the sediment source. Maisch: The key test is “significant adverse impacts.”

DNR Division of Forestry. Eleazer summarized highlights (*see handouts*)

- FRPA activity was at record low levels for DPOs, acreage in new notifications, and new road miles notified. DOF expects 2015 activity to be similar to 2014 with an uptick in 2016 as Sealaska increases harvesting on their new lands and the Icy Bay harvest begins.
- DOF sold approximately 28.5 MMBF in 58 sales to 34 Alaskan businesses in FY15, the highest volume sold since the last pulse in “bridge” timber sales. Sales produced \$753,000 in timber sale revenue that supports personnel and road maintenance. DOF expects good volume and revenue in FY16 because of the push for sales in SSE. Timber sale volume is counted in the year it is sold. SSE is the only area bumping into the allowable cut limit.
- DOF built a winter road into the Susitna Basin in 6 months from receipt of the funding.
- Compliance monitoring and road conditions survey accomplishments were significant. DOF plans 2015 surveys on state and native land in the Mat-Su and would like to resurvey some Haines roads.
- Afognak Native Corporation planted all reforestation backlog areas; DOF verified stocking on Afognak Joint Venture land – they have eliminated their backlog; Koncor planted all backlog areas; Leisnoi has 372 acres of backlog left and will planting them this year. DOF planted all backlog areas on State land– this was a replant of areas that qualified for reforestation exemption but were planted and which later burned in the Caribou Hills fire.
- The State Tongass Team will be cut under the Governor’s FY 16 budget. DOF is looking for federal funding sources to continue.
- The Region II-III S&TC reforestation review is underway.
- There have been many staff changes, including the Northern Region Forester, Fairbanks Area Forester, Fairbanks Resource Forester, and Large Project Team Leader.
- Cooperative program supervision moved to the Forest Resources Program Manager.

Wolfe: How successful is planting? Is 2-year survival an issue? Eleazer: Survival is fine except for browse problems on planted seedlings.

Nichols: The drop in FRPA activity documents our concerns for the timber industry.

**DOF roads office.** (*See handout*) DOF engineers do the road field work and initial survey. DOF roads are lower tech than most road engineering projects. Projects include:

- Vallenar Bay Road final design (projected for May 2015). DOF issued a preliminary BIF for the Vallenar Bay Timber Sale that depends on this road. DOF received many comments and is preparing responses. It may receive an appeal.

- Hollis Ferry Road Reconnaissance study
- Edna Bay log transfer facility (LTF) and Sort Yard – design is nearing completion.
- Standard Creek Road repair design and pit development.
- DOT contract negotiation and contract claims training.
- Presentation to SAF meeting on forest road engineering and management.

Nichols: Big projects are getting into a higher level of engineering requirements. If a Professional Engineer (PE) is needed, DOF should have hired one. If you have to hire outside engineers it is not clearly more cost effective than DOT. Eleazer: The requirements to use a PE are set by procurement regulations. When we can do the engineering through timber sales we can do it much more efficiently, but in we can't build all needed roads through timber sales.

Southeast State Forest Management Plan (SESFMP). Jim Schwarber, DOF Forest Planner: Public comment on the draft plan closes April 30. Comments from the agency review step are addressed in the public draft. DOF is scheduling public hearings in communities such as Petersburg, Wrangell, Ketchikan, and Craig/Klawock.

Some of the smaller communities are linked through the library OWL program to do free meetings. Wolfe: The Board reviewed the previous draft.

**Overview of FRPA history.** Wolfe: Development of the 1990 FRPA amendment occurred during a time when there was a large industry based on Tongass National Forest sales. The 1971 Alaska Native Claims Settlement Act created Native corporations and land entitlements, and land transfer began in 1980. There was little infrastructure on Native land, forest inventories were needed, and export issues needed to be resolved. Sealaska was at risk of bankruptcy. Tax law amendments in 1986 allowed net operating losses to continue for Alaska Native corporations. These conditions contributed to acceleration of harvesting on Native land.

In Washington State, the Timber-Fish-Wildlife agreement between tribes, industry, regulators, and other stakeholders was considered successful. In 1989, Governor Cowper convened a stakeholder process with professional facilitators. The participants wanted to avoid litigation and balance protections for fish and water with private property rights. The process included a Science and Technical Committee and an Administration Policy committee. Participants put together four key principles that we still use:

1. Fairness – Any successful system must be based on shared risk and incentives for both timber owners and regulators to make it work.
2. No Big Hit – Neither fish nor timber should bear an inordinate share of the burden; that a balance must be found. No private landowner should have to bear an unusually large burden.
3. Enforceability – Standards and regulations should be understandable and measurable for ease in implementation; and
4. Professional Management – To provide optimum utilization of manpower and system flexibility for fish and water quality protection, and timber management, the new system would require careful planning and targeted field effort.

The industry preferred a notification rather than a permit program. Private timber owners pledged millions of dollars of timber in return for the state's commitment to FRPA, including State agency field presence. The industry was split; some didn't like the pact.

The Board is the appropriate forum to deal with FRPA issues that arise.

Boutin: ANCSA wouldn't have occurred without the pipeline. Some people say FRPA is expensive to enforce and the oil revenue that funds state government allowed implementation of this Act. What happens next when oil revenues disappear? If ANCSA were to be considered today, would we have considered a sustained yield requirement or domestic manufacturing requirements? Nichols: That requirement would have broken many corporations. Wolfe: No other corporations have that requirement and Native corporations already have 7(i) revenue-sharing requirements. Job creation through timber export is as high as that from domestic processing.

### **Public comment**

- Letter from City of Wrangell (*see handout*)
- Letter from Ernie Eads (*see handout*)
- Peter Hanley, Chiniak (*see handout*): FRPA needs to be revised to fully address logging impacts and protect the environment and community. The focus on fish and water is too narrow. FRPA doesn't address wildlife, and does provide for public review. Region I includes Kodiak forests which are pure first-growth Sitka spruce stands that require different management. FRPA doesn't regulate private land setbacks, noise, impacts on residential areas, or wildlife on private lands. DOT doesn't regulate traffic, nor does the Kodiak Island Borough (KIB). Logging traffic has degraded the Chiniak highway. Logging trucks have run overnight on the highway close to residences. KIB land use regulation allows timber harvest in this area. Forest practices regulations in Washington and Oregon are tighter and cover more issues. So far, 7500 acres on Kodiak have been approved for harvest under FRPA. Leisnoi has only met minimum requirements. There's no value-added processing in the Chiniak harvest. FRPA doesn't require environmental impacts analysis on wildlife. Slash piles don't have to be cleaned up. Reforestation has used glyphosate, which is banned in several countries. Tourism is affected, but there are not aesthetic setbacks. Borrow sites have to be rehabilitated, but they haven't been yet. Logging negatively affects property values. FRPA needs to address wetlands, environmental impact assessments, community impacts, private property buffers, highway traffic impact, and endangered species.

If an oil company wanted to drill on a 5-acre site at the end of the Chiniak Road, there would be extensive consultation, public comment, and state, local, and federal agency review. Plans would include mitigation measures for environmental protection. However, on 10,000 acres of forest land that wasn't required.

- Bonny McWethy, Kodiak resident (teleconference) – Logging has affected sediment in creeks, and salmon numbers have declined in adjacent bays. Buffers are as little as one tree wide, and some of those trees die back. Standards need to be tailored to local environmental and weather conditions. An Alaska Pollution Discharge Elimination System permit is required for timber transfer, but DEC has no record of a permit for this operation. FRPA needs to address the impacts of timber sales, including impacts to residents along the highway.

- Jana Turvey, Leisnoi, Inc. president – Native corporations are mandated to provide for social and economic benefits of shareholders. Timber harvest allows Leisnoi to meet this mandate. Leisnoi plans to complete operations in 2016. Leisnoi is compliant with all laws, rules, and regulations that apply and has met or exceeded FRPA standards. The corporation has hired a new forester specializing in reforestation. Some people don't support timber harvest. Leisnoi shareholders are thankful for revenue that can be shared from logging. Leisnoi is looking at a conservation easement and other options for its land.
- Kent Cross, A-1 Timber, (*see handout*) – Megan Marie's presentation on salmon habitat identification was accurate, and that program had significant benefits.
- Eunice Hanley, Chiniak resident – Deforestation of 9,000 acres will soon be complete, and the effects will last for generations. There were economic choices for Leisnoi to generate revenue other than logging. There were no environmental studies prior to logging, so we may never know what the impacts have been. Important but discretionary provisions such as water quality monitoring have not been done – DEC elected not to. Glyphosate is banned on federal forests and the World Health Organization determined that it is probably a carcinogen when used at industrial scale, but it was used at Chiniak. It is essential to keep the Sacramento River lands unlogged. Revise FRPA to include a public process and provide broader environmental protection. Think of what we want to be our legacy.
- Joe Young, Young's Timber Inc. (teleconference): I oppose HB87, especially the repeal of AS 38.05.118(c). The intent was to protect local mills. This section helps small businesses grow and develop, diversifies the Alaska economy, and helps provide local fuel. Repealing it adds more confusion. It gives the DNR Commissioner more power – the Commissioner could negotiate a large sale that would wipe out local operators. The current leaders wouldn't do this, but the leaders change. If the amendment is needed in Southeast, change the bill to apply there only.
- Virginia Adams, Chiniak resident and commercial fisherman (teleconference): My family, home, community, and profession have all been impacted by Leisnoi operations. Leisnoi was not willing to negotiate a buffer adjacent to my property. FRPA's intent to protect anadromous waters is not being realized because the 66' buffer is inadequate. Buffers blow down. Sluicing out is occurring from runoff and will impact coho salmon. The Kodiak forest presents challenges to the current FRPA, especially for protection of anadromous streams.
- Deborah Carver, Kodiak (teleconference): The highway goes through an industrial zone where log decks are stacked. In 2011, logs came off the decks and were in both lanes of the highway. Carver reported the problems to the Troopers and asked about a required setback for decks. The operators have an encroachment agreement that allows the current decks. The loose logs could have caused accidents. People have to drive through the industrial zone – there's no other way to town. Carver has seen this problem multiple times. The shadow from log decks also causes black ice on the road. The encroachment permit should not be allowed on this stretch.
- Dave Beebe, City of Kupreanof: Will submit written comments; oral comments would take more than 3 minutes.

**Overview of Kodiak forest practices activities.** Hans Rinke, DOF Kenai-Kodiak Area Forester: Some seedling plantations on harvest areas prior to 2010 had problems with hares and voles. Leisnoi has planted about 1.3 million seedlings since 2007. Some have had better success

than others, but Leisnoi is close to finishing planting the backlog area. About 6,500 acres have been included in DPOs so far; not all have been harvested at this point. On more recent sales, planting occurs within two years of harvest. It's a tough environment for seedlings to get established, but they are getting established. The corporation is now dealing with holes in prior plantings. DOF believes the standards will be met.

State tree planting costs are about 75 cents/seedling in the ground, but that is for smaller plantings on the Kenai Peninsula.

Vinsel: Do the large slash piles contribute to high hare populations? Rinke: The slash piles are only on a few sites. High hare populations were present prior to the timber sales.

Stark: How does ADF&G think operations are doing in terms of anadromous habitat impacts? First-order streams are often poorly catalogued. Will Frost, ADF&G Habitat Division: ADF&G has covered almost everything on Leisnoi operations. In small streams, biologists went upstream until a barrier was identified. Some streams were only a half-foot wide at that point.

Stark: Stream monitoring wasn't done. I observed siltation on the field trip and there are temperature questions. K. Hanley: I haven't seen evidence of damage that would merit ongoing water quality monitoring. Stark: Is this an opportunity for volunteer monitoring? Eunice Hanley: Some schools have their biology classes do this. Wolfe: Cone collection projects are also a great way to involve students -- pay them \$5 per sack.

Nichols: Nothing in FRPA would change stream temperature. Stark: I'm interested in collecting information that's easy to get to identify if there is a real concern. If there is, we can then determine how to address it.

Rinke: Riparian buffers are 66' wide which can be just one tree wide. I have talked to Peter Hanley and others on concerns across the area and then ground-truthed the concerns in field inspections.

Maisch: Public concerns on traffic, noise, etc. are similar to those we heard on the Kenai Peninsula during the peak of operations there. The Mat-Su Borough has adopted regulations on these issues. They are best addressed by local governments. Wolfe concurred. McLarnon: Recreation groups developed local solutions to trail use issues in Willow. When everybody got together in one room, they hated each other at first, but were able to work out the issues and collaborate. DOF helped facilitate the meetings.

Peter Hanley: The Chiniak operation is in the 5<sup>th</sup> year of a 6-year operation. He has written Leisnoi in hope of them directing A-1 to behave in a community-sensitive way and received no response. If Leisnoi had done outreach ten years ago, it would have been different. The goal is forward-looking to not have another Chiniak situation. He called Leisnoi about log trucks running at midnight, and they hung up.

Vinsel: The Board had a long process related to landslides, and a serious part of the conversation came down to whether FRPA should be amended to protect public safety. The purpose of FRPA

is to protect water quality and fish habitat. Eroding that focus could weaken the protection for fish. Maisch: Public safety was best protected through local zoning, rather than FRPA.

Vinsel: Peter Hanley's presentation calls for changes to FRPA, but it was originally presented to the Kodiak Island Borough (KIB). Did the Borough step up? Peter Hanley: Most people in Kodiak don't see the daily impacts of the logging. KIB is revising its zoning regulations, and the draft proposed making logging a conditional use rather than a permitted use. That got caught up in public concerns over control of private property.

Nichols: Logging next to people is never easy – there are issues of noise and dust that are beyond control for an extractive land use. Buffers on private land are up to the forest owners. The harvest will end and there will be 70 years of peace in the valley. It may not go back normal. If there was a choice, loggers wouldn't choose to log next to people, but in Southeast Alaska, nine million acres are locked up. There are private property rights as long as they don't materially affect other landowners.

Wolfe: Leisnoi and A-1 Timber have engaged in serious reforestation efforts. That's not cheap or easy and there are real challenges. These are private property rights and we need to respect them. The Tlingit, Haida, and Tsimshians got about 4% of their traditional lands, and the percentage is probably not high in Kodiak.

Vinsel: We saw big cone crops at Kodiak. What does it take to grow seedlings? Maisch: It's usually better to collect local seeds and grow them commercially.

**Endangered Species Act (ESA) Petition for Alaska Yellow-cedar.** Moira Ingle, ADF&G Division of Wildlife Conservation: Four petitioners are requesting ESA listing of yellow-cedar because of massive decline connected to climate change. They also assert that logging that targets yellow-cedar exacerbates the loss, and that it will disappear in 100 years. Yellow-cedar is widely distributed at a range of elevations and drainage conditions from Prince William Sound to northern California. It reproduces by layering from the lower branches. Yellow-cedar has economic and cultural value and a variety of uses.

The USFS has been researching causes of yellow-cedar decline for 30 years. Different sites show different mortality rates. Decline has occurred since 1880 and has slowed or stabilized since 2000. With warming, there is less snow cover, and trees die from winter injury when they deharden early and are injured by subsequent freezing. Yellow-cedar remains healthy where there is an adequate snowpack in late winter and spring.

The USFWS has ESA authority for terrestrial species, including yellow-cedar. They can consult with the USFS, but USFS doesn't have authority to lead an ESA process. The listing decision must consider the best available science. In consideration of climate change in other listing decisions, the agency has considered modeling over 30-100 years in the future.

ADF&G expects an initial 90-day finding in a few months on the petition. There is a low bar for a finding that a status review should be done. If a status review is triggered, there is opportunity for public and agency input. The State already sent in a letter outlining concerns that the petition overstates the extent and impacts of the decline. However, the USFWS finding has to be on the

basis of information within the petition. The petition overstates the impact to forest carbon budgets – it only comprises 4-9% of the commercial forest. The petition focuses on the areas of decline and not the whole area where the species occurs. The decline is localized in stands, and there's no data at the stand level on snow cover historically. Yellow-cedar is an adaptable species with a broad range. The petition misrepresents the role of browsing by deer; they may be an issue only in areas with high densities of deer. Listing under the ESA would be speculative and do nothing to preserve the species. It is important to look at what can be done with assisted migration or other actions.

Cronin said that ESA does apply on Private and State land in addition to federal land and noted the application of ESA on private and State land with no federal nexus. He mentioned a Montana State Forest timber sale being stopped by ESA, and the potential for a wolf ESA listing in southeast AK to apply on private and Alaska State Forest. Ingle disagreed.

Cronin: When there is mortality in a yellow-cedar stand, is it 100%? Ingle: It depends on the duration of the condition. There can be 70-100% mortality.

Ingle (In response to a question on whether CITES would limit export of products from dead yellow-cedar trees): The Convention on International Trade in Endangered Species (CITES) has different categories and options for exemptions; it's not automatically a ban. It's determined through a separate process.

Nichols: This is ludicrous. Across the Tongass, 70% of the yellow-cedar isn't dead. Many yellow-cedar trees on poor sites have defect. If they are dying, we could cut and replant them. If they are dying from climate change, what do we do about that? There is still a vast portion of the Tongass where harvesting will not occur. Ingle: The 70% figure is the mortality rate within stands where decline is occurring, not the rate across the range of the species.

**HB87/SB32 letter of support.** Maisch: This bill would expand DNR authority to offer negotiated timber sales statewide. It will be heard by the Senate Finance Committee tomorrow. Nichols: Don't understand Joe Young's concerns. This bill strengthens DNR's ability to negotiate sales. Maisch: DNR's ability to negotiate sales under this statute was previously restricted due to areas of high unemployment. We have used this statute in Southeast to provide supply to local mills. If the current criteria stand, competitive sales will be the only option as we near the full allowable cut in SSE. Nichols: The bill does not reduce the state's ability to offer negotiated sales in the Tok area. Maisch: Correct. The bill allows, but does not compel the state to use the negotiated sale provision. Wolfe: Would like the State to provide "bridge" timber in Southeast. Curran: The bill currently requires an underutilized allowable cut, underutilized manufacturing capacity, and high unemployment. Those requirements would be deleted in the current bill. It still requires a local manufacturer, and all planning processes. Boutin: DOF can help reassure operators in the way they conduct their businesses. Maisch: The Best Interest Finding process protects all interests and provides an opportunity for public input on all but small sales under AS 38.05.115. DOF will continue to sell most timber by competitive bid. Wolfe: I support this even though it does nothing to support our interest in keeping round log export operations, to which this does not help. McLarnon: I testified in favor of this bill. Young is concerned that a big operation could come in under this provision. Herzog: Young was also

concerned that changes in personnel within DNR could cause problems, but the processes are determined by statute. Boutin: In small towns there can be different views of how decisions are made, and the influence that personal relationships have on decisions. Curran: The Best Interest Finding identifies which authority DOF will use to sell a timber sale.

► McLarnon moved and Boutin seconded that the Board support the draft letter (*see handout*) in support of CSSB32 with updates for bill number and committee status. Motion passed without opposition.

Maisch left; Eleazer became acting chair

### **Board report to the Governor.**

- Vinsel: Appreciates the process and the involvement of the three agencies that helped drive additions to the Anadromous Waters Catalog which is important for protection of salmon.
- Vinsel: Good training is needed to ensure that decisions in the purple book are properly implemented.
- Vinsel: Appreciate the robust public comment at recent meetings.
- Nichols: In the budget cuts, beware of unintended consequences to forestry-related programs, e.g., ADF&G permitting, inspections, and stream classification, and DEC phytosanitary certificates. We have to have the budget for people to do their statutorily required jobs. Boutin: The oil industry has paid for agency work on FRPA for decades and that can't continue. Tell the Governor that the Board is aware of the fiscal situation and is willing to work with the agencies to examine other ways to get the FRPA work done with fewer agency staff and smaller budgets. State reserve funds would only last about three years at the current budget level. Nichols: Operators are realistic about funding, and know that the gap won't be made up solely by cutting budgets. Fees, taxes, or other income will be needed. Boutin: The prior level of Alaska income tax would only fill \$400 million of the \$3.5 billion deficit. Oil production is 25% of 1989 levels. Nichols: It's imperative for the industry to have FRPA, and we have to figure out a way to keep it.
- Wolfe: Remind the Governor of FRPA's success – it works, as shown by effectiveness monitoring. Reaffirm the four principles from the Green Book and the benefits of monitoring and road condition surveys. The Board is an appropriate forum for issues. The budget situation may change again.
- Wolfe: The state has played an important role in Tongass issues; continue the one-voice approach for state comments to federal agencies.
- Nichols: If DOF is going to pay its own way, the State needs more forest land in Southeast Alaska to work with. McLarnon and Cronin agreed. The Governor's Task Force recommended that. Wolfe: I don't object to that with the caveat that other outstanding land claims need to be addressed. Nichols: Recognize that a solution in the Tongass must address concerns from both timber and conservation concerns.
- Vinsel: Include a status note on the Reforestation II and III standards review.
- Cronin: If the wolf is ESA listed in Southeast, it will be devastating to forestry. It is clear scientifically that they are not going extinct. Urge the Governor to oppose listing because it will hurt the industry and is not warranted. Wolfe: Sealaska has submitted comments on this process. Encourage state to continue to be engaged in ESA actions -- continue the yellow-cedar and wolf positions. Stark: Do what you can to avoid listing of the wolf. Wolfe: Note

that the industry continues to be in trouble due to the timber shortage, and loss of the industry will have ramifications for other services.

**Next meeting date and agenda:** Fairbanks/Delta, week of July 27-30 (2<sup>nd</sup> priority July 20-24), with a field trip regarding reforestation and salvage harvesting.

- Options to accomplish FRPA requirements in light of budget reductions
- Alaska Sustainable Salmon Fund briefing
- DPO overview
- FRPA training
- FY16 forestry, forest practices, and monitoring budgets
- SB 32 (Negotiated timber sales)
- Region II-III reforestation standards review
- State consideration of assumption of authority for Section 404 permitting
- Wood energy in Alaska and state timber sales for wood energy projects
- Southeast State Forest Management Plan
- Federal forest management in Alaska
- Next steps on issues raised by the Forest Fisheries Forum on alders, buffers, and young-growth management. Is our current approach the best for fish? It's expensive for landowners to leave trees, and they want to be sure what they doing for fish really has the optimal impact. Wolfe: The Hoonah watershed will likely address this issue. Could draft a thank-you to Wipfli and suggest that SAF and AFS engage on this issue.

#### **Board comments.**

- Boutin: Nicolls will be back. How the Board meets its responsibilities in the light of budget deficits is important. Some agencies have no trouble finding and retaining good employees, e.g., Treasury Division of Dept. of Revenue. Look at other models for organizing the resource agencies. Take advantage of new technologies (e.g., drones) where they can help. Consider how to divorce FRPA work from petroleum subsidies.
- Herzog: Appreciates talks on buffers and fish protection – there are similarities with mining industry issues. Liked the energy and discussion of the public comments.
- Nichols: Thanks to Boutin for stepping in. There is a lot to be said for human interaction in the TAC, this meeting, and other venues that increases mutual understanding. The give and take in human FRPA inspections is important.
- Vinsel: Appreciates the Kodiak residents who came in person or called. Appreciates additions to the Anadromous Waters Catalog. Many people lack awareness of FRPA, its purposes, and its effect. Thanks to Boutin and staff.
- Cronin: Appreciates public commenters, staff work, and Boutin's comments on buffers. ESA isn't in the Board's purview, but it is important to forestry. I will email comments on the wolf listing petition to Freeman to email to the Board.
- Wolfe: Thanks to Leisnoi and A-1 for being here.
- Stark: Thanks to the public for coming to see us and telling us what they think is important for all sides,
- McLarnon: Encourages the staff to hang in there – times will be difficult. Appreciates forest and fish presentation, and the private parties that supported it financially.
- Eleazer: Thanked staff and Board for participating fully.

**Adjourned:** 5:15 p.m.

Attendees

- Greg Albrecht, ADF&G
- Virginia Adams, Chiniak (teleconf.)
- David Beebe, City of Kupreanof
- Sarah Campen, TCSG, (teleconf.)
- Deborah Carver, Kodiak (teleconf.)
- Kent Cross, A-1 Timber
- Mike Curran, DOF
- Sandy Dawes, Kodiak (teleconf.)
- Kenny Dawes, Kodiak (teleconf.)
- David Deacon, Kupreanof
- Jim Eleazer, DOF, speaker
- Marty Freeman, DOF, speaker
- Will Frost, ADF&G, teleconf.
- David Gann, DNR-DMLW
- Michelle Hale, DEC, speaker (phone)
- Eunice Hanley, Chiniak
- Kevin Hanley, DEC, speaker
- Peter Hanley, Chiniak, speaker
- Debbie Hart, SEAKFHP
- Moira Ingle, ADF&G
- Brenda Josephson, Haines Bor. Pl. Comm.
- Brian Kleinhenz, Sealaska
- Sylvia Kreel, DNR-OPMP
- Tom Lenhart, AGO speaker
- Tom Loushin, A-1 Timber
- Paul Maki, DOF (teleconf.)
- Byron Mallott, Lt. Gov.
- Bob McAlpin, (teleconf.)
- Sadie McCusker, Kodiak (teleconf.)
- Bonny McWethy, Chiniak (teleconf.)
- Dave Nesheim, A-1 Timber (teleconf.)
- Joel Nudelman, DOF
- Devany Plentovich, AEA, speaker
- Karl Potts, Leisnoi
- Hans Rinke, DOF
- Jim Schwarber, DOF, speaker (teleconf.)
- Paul Slenkamp, MHTLO, speaker
- Jana Turvey, Leisnoi, Inc.
- Joe Young (teleconf.)

**Handouts**

- Agenda
- Public notice
- Draft Minutes 12/9/14 BOF meeting
- Updated Board contact list – 2/25/15
- Letter: Tanana Valley State Forest Citizen’s Advisory Comm. to Mark Meyers, DNR Comm., Jan. 2015
- Letter from Tanana Valley State Forest Citizen’s Advisory Comm. to House and Senate Resource Comm. re HB 87/SB 32, 2/12/15
- Draft letter for Board re HB 87/SB 32
- Reforestation bibliography: Introduction and Section Summaries
- Draft Region II-III Reforestation Science & Tech. Comm. meeting minutes 2/4/15
- DOF Annual compliance monitoring report
- Compliance monitoring briefing paper
- Road condition survey for the forest road system in the Kenai Pen. Bor., 3/1/15
- FRPA Workshop – Draft minutes, 12/11/14
- Fisheries-Forestry Sustainability: What Progress Have We Made? Abstracts from Session at American Fisheries Society meeting , 10/ 22/14
- Alaska FRPA Workshop Draft Minutes, 12/11/14.
- Annual reports to the Board of Forestry
  - DNR Division of Forestry

- DEC Division of Water
- ADF&G Habitat Division
- Brochure: 2014 Summary–DNR Div. of Forestry
- Letter: City and Borough of Wrangell to Board of Forestry, 3/24/15
- Letter: Ernie Eads, “What is Old Growth by the Dictionary?” (no date)
- Letter: A-1 Timber Consultants to Governor Parnell, 9/8/14
- Letter: A-1 Timber Consultants to Governor Walker, 12/11/14
- Letter: A-1 Timber Consultants, Inc. to Board of Forestry, 3/24/15
- Letter: Marty Rutherford, Acting DNR Comm. to Tom Loushin, Pres. A-1 Timber, 1/20/15
- Letter: Peter Hanley to Leisnoi, 12/28/14 and PowerPoint on Chiniak logging
- Response to Peter Hanley from Chris Maisch to Peter Hanley, 1/7/15
- Letter: Jonathan Edwards and Virginia Adams to Board of Forestry, 3/16/15
- Letter: Sara Fish to Board of Forestry, 3/16/15
- Letter: R. Scott and Theresa Bonney to Board of Forestry, 3/10/15
- E-mail: Chuck and Ann McWethy to Board of Forestry, 3/17/15
- Maps: Leisnoi tree planting on pre-2010 and post-2010 harvest units, DOF-KKAO
- Certificate of Lawful Timber Procurement template, DNR-DOF
- Road management options on forest land covered by FRPA
- Forest Fisheries Forum agenda