

# BOARD OF FORESTRY MEETING MINUTES

## November 14, 2018

### **Location and teleconference sites:**

Anchorage – 550 W. 7<sup>th</sup> Ave., Suite 1450

Juneau – 400 Willoughby Ave., 4<sup>th</sup> floor, conference room A

Fairbanks – 3700 Airport Way, Large conference room

Ketchikan – 1900 First Ave., Suite 310 (LIO, conference room 2)

**Call to Order and Roll Call.** Chris Maisch, State Forester, called the meeting to order from Fairbanks at 8:10 a.m. Teleconference sites were connected in Anchorage, Juneau, Fairbanks and Ketchikan. Members also called in from Sitka and Washington. Chris Beck (Anchorage), Jaeleen Kookesh (Juneau), Bill Morris (Fairbanks), Will Putman (Fairbanks), Eric Nichols (Ketchikan), Andrew Thoms (sitting in for Chris Stark, Sitka), and Mark Vinsel (Washington) were on the teleconference. A quorum was established.

Anchorage teleconference: Tim Dabney, Deputy Director Division of Forestry; Will Frost, ADFG; Jerry Kilanowski, University of Alaska; Devany Plentovich, AEA

Fairbanks teleconference: Todd Nichols, ADFG, Paul Keech, Regional Forester, Doug Hanson, Forest Inventory.

Juneau teleconference: Tom Lenhart, Assistant AG, Department of Law; Gretchen Pikul, DEC Water; Greg Albrecht, ADFG; Jackie Timothy, ADFG, Brian Kleinhentz, Terra Verde, Inc.

Ketchikan: Greg Staunton, DOF; Paul Slenkamp, MHT; Chere Klein, staff to US Senators Murkowski & Sullivan

**Public Meeting Notice.** The meeting was noticed by issuing public service announcements and press releases (handout in packet), mailing announcements to interested parties, and posting a notice on the state's Online Public Notice System and Department of Natural Resources (DNR) website.

**Approval of agenda.** The agenda was modified from the original agenda in the packet. The revised agenda was approved by unanimous consent. Will Putman made a motion to approve, Bill Morris seconded.

**Approval of Minutes.** By unanimous consent, the Board reviewed and approved the August 8-10, 2018 minutes with no corrections. Jaeleen Kookesh made a motion to approve, Bill Morris seconded.

### **Announcements**

- Chris Maisch thanked Mark Vinsel, Eric Nichols, Jaeleen Kookesh and Andrew Thoms for their work on the Roadless Rule-Making process, serving as members of both committees.
- RDC meeting today. Jaeleen found a substitute for the forestry panel.
- Society of American foresters: Juneau is working on a legislative breakfast on Feb 14<sup>th</sup>, around 7:30am. Topics: Forest Practices 101, and Chris Maisch will speak for 15 minutes. He will address the status of SE timber industry, also tariffs and carbon credit sales.

## **Forest practices budgets, legislation and regulations**

**Chris Maisch, Department of Natural Resources (DNR) Division of Forestry (DOF):** Change in administration means the budget will be up for immediate review. Incoming administration will have that done by December 15<sup>th</sup>. Sometimes the new administration takes the current administration's budget and then does an amended budget. DOF made a flat proposal for next fiscal year; no new initiatives. The current administration didn't require proposed budget reductions, which was a welcome development, so we haven't prepared 5-10-15% reduction scenarios. We didn't propose new legislation this year, with changes to the legislative body. Also, we are working to update our new fire statutes now; that will take a fair amount of time to implement that before this fire season. No new initiatives, but that could change with the new administration.

**Gretchen Pikul, for Andrew Sayers-Fay, Director, Department of Environmental Conservation (DEC) Division of Water (DOW):** Andrew did not have an update for her to present, but when Gretchen gets one, she will email it to Alison to disseminate to the Board.

**Greg Albrecht for David Rogers, Department of Fish & Game (ADF&G) Division of Habitat:** Not a lot to report, since we don't know our budget yet. Not expecting any changes. FRPA remains a workload priority, and we expect to do business as usual. Have been getting out a lot to survey streams on timber harvests. Working on a three-year effort under a grant that Jackie Timothy obtained that allowed us to survey streams on Sealaska lands. Grant allowed updates to the anadromous waters catalog, and what the barriers are to timber companies. 742 streams walked, submitted documentation for 180 additions and corrections, added 30 miles to anadromous waters catalog, and removed 6.45 incorrect miles. Added 36.5 miles to streams that will get buffers. Process wrapping up this spring.

Chris Maisch: Will the field crews be available to work on Young Growth Inventory on Federal projects?

Greg: We have 2 biologists and we hire some seasonal workers.

Chris: We are trying to help USFS to do surveys on the young growth project, to ensure they have an accurate catalog. May be some work opportunities there for your crews.

Jackie: We submitted another grant application to Sustainable Salmon. If it's awarded, it would start when the old project ends in May. Haven't heard back from SS to know if it would be funded, but it would fit really nicely with what the USFS is doing. Focusing work on legacy timberlands and any timberlands across POW. Proposal focuses on steelhead spawning and migration habitat, prioritization of field surveys, and also coordination with USFS.

Chris: Would be worth coordinating on. Hopefully you'll get funded.

Will: Could this be under a Good Neighbor Authority?

Chris: Could potentially fall under GNA work, and stewardship.

Andrew: USFS has entered into agreements with State and tribes (for example, Hydaburg, Hoonah). A joint effort across the forest to get a complete map on POW island would be great.

Will Frost: Anchorage office just finished up a Sustainable Salmon grant with Afognak Native Corporation. Had 35 new nominations, worked on Afognak Island, Whale Island, and Dry Spruce Bay on Afognak Native Corporation lands. About 22 kilometers of new anadromous waters were found.

Chris: Great to hear—good information. Though it didn't pass, the ballot initiative highlighted the interest in this topic. The new administration will begin December 3, swearing-in in Noorvik, Governor's wife's home town.

**Transition/new Administration.** Chris Maisch, DOF: Transition team announced a few key positions, but not much information about chairs from departments. Waiting to hear from Walker's

chief of staff. They will have offices in the Atwood building in Anchorage. ADFG or DEC have any information? No.

**State Forester hiring process.** Alison Arians, DOF:

The Forest Resources and Practices Act establishes criteria for State Forester (Division of Forestry director) candidates and the hiring process for the State Forester in AS 41.17.020(b):

- The division shall be headed by a director who shall be the state forester, appointed to the partially exempt service in accordance with law by the commissioner, **from a list of two or more candidates submitted by the board [Board of Forestry].**
- The commissioner shall solicit and consider recommendation of the Alaska Fire Chiefs Association or successor organization when reviewing the candidates submitted by the board.
- The commissioner may reject all candidates, **in which case the board shall submit a new list.**
- The state forester shall have
  - a bachelor's or higher degree in forest management and at least three years of field experience in forestry; or
  - at least eight years of professional work experience as a forester.

The following process has been used to hire State Foresters to comply with these rules.

1. DOF, in consultation with the Board and Commissioner, drafts a job announcement for the state forester position, including required qualifications and desired characteristics.
2. DOF posts the position through the state on-line system, and advertises it through other appropriate means (e.g., SAF job board, NASF, AWFCG, Western Governors Assn., Western Forestry Leadership Conference, state job site)
3. The Division reviews applications and forwards qualified candidates to the Board.
4. The Board meets in executive session to review applications and then interview top candidates. The Division provides suggested questions to the Board, but they determine final questions and do the interviews.
5. The Board provides a list of two or more candidates to the Commissioner.
6. The Commissioner solicits recommendations from the Alaska Fire Chiefs Association on the candidates submitted by the Board and considers their recommendations.
7. The Commissioner either
  - a. Selects a candidate from the list, or
  - b. Rejects all candidates and requests a new list from the Board. The Board may either forward additional candidates from the initial applications, or request that DOF re-advertise the position.

Chris Maisch: I submit a resignation, then see what happens. Maybe the Board won't have to do this, but we need to be prepared. Alaska Fire Chiefs Association membership can be a full-time job by itself in a busy fire season. The point of the requirement to consult with AFCA is that the Division doesn't want a State Forester who is just political—they need to have experience in fire fighting, as well. In the past, the Board usually selects a chair and co-chairs to head up this process.

Will: For soliciting recommendations from the fire chiefs: that organization would have emphasis on structure fires, not wildland fires, yes?

Chris: Yes, most of them are structure departments, but we are also a member.

Will: What about AWFCG?

Chris: This is what is referenced in the statute. It's a good point, but the Fire Chiefs Association has been headed by Tom Kurth in the past. They are urban departments, but they all have some engagement in the wildlands.

Will: Just a question, not a concern.

Chris: We could put this in housekeeping for when we are changing the statutes. [Added to list.]

Beck: Is this a process that we *have* to do?

Chris: Only if I am not retained as state forester. The new administration could say “thank you for your resignation,” as a way to ask me to leave. It hasn’t been done for four administrations.

Eric Nichols: Timeline?

Chris: We probably could do a search for all-applicants, which would allow us to recruit in the Lower 48. Alison would have to consult with Commissioner’s office. There is a 10-day minimum, but we like to run it for 15 or 30 days. Nationwide, we’d want a longer period than 10 days, but we’d have some flexibility. Could do 10-day in-state, see what you get. If you’re happy with that, continue with the process. If not, open it up to broader pool.

Eric: I’m looking at whether you end up with a hole in the top during the transition period.

Chris: If position becomes vacant, Tim Dabney would become acting State Forester. Paul would probably become acting Deputy. In past years, Dean Brown served as acting until the State Forester was filled by the process. Things won’t come to a screeching halt—bases will be covered.

**A closer look at Board of Forestry meetings, statutory requirements, and purpose.** Alison Arians, DOF: When times are calm in the FRPA world, like now, do we need to have meetings three times a year? By statute,

AS 41.17.047. Powers and duties of board. (d) ... **The board shall hold hearings at least once annually in southeast, southcentral, and interior Alaska for purposes of taking public testimony on the subjects.**

This statute was initially written in 1978. Since then, the Board met three times a year, alternating locations. In 2015, we began adding teleconference-only meetings as travel budgets declined (see Excel spreadsheet), and could justify this change because all the meetings are teleconferenced statewide, with meeting locations in Ketchikan, Juneau, Anchorage and Fairbanks, and a teleconference line for people outside those cities. (In 1978, when the statute was originally written, we didn’t have the same teleconferencing capabilities.)

Could we interpret the statute to mean that holding even ONE meeting a year, teleconferenced statewide, would actually meet the statutory requirement? Meeting once a year probably isn’t enough, but in slow FRPA times, would twice be enough? We could add a teleconferenced meeting as needed. BOF meetings are expensive: Board members’ time to prepare and attend, staff time to coordinate, presenters’ time to prepare updates, and travel expenses for in-person meetings.

Tom Lenhart: Just looked at it this morning. I think you have a lot of flexibility here. First, it is an advisory board. I would start with 41.17.041 that established the Board. Section (9)(c) provides that the State Forester in consultation with the Board shall **establish the procedures for scheduling and organizing board meetings**. This section does not provide any requirements on number, location, or format. I conclude that all of those are discretionary. It does require that you have “procedures” in place on scheduling and organizing BOF meetings. You may well have that in some written format. If not, this might be a good time to draft something that clarifies you will hold a board meeting not less than annually but as frequently necessary to properly carry out your duties under 41.17.047.

I do not think that “meeting” in 41.17.041 and “hearing” in 41.17.047 have the exact same legal meaning. You could certainly hold a meeting (public as required by open meeting act) without taking public testimony on the subjects. So, a meeting is not necessarily a hearing. However, if you hold a “public hearing” and have at least 2 members present, it would be a meeting. Certainly it is most efficient to combine the two.

So, I see no min or max requirements on number of meetings. Just that the Forester and the BOF should establish procedures for scheduling.

**Note from Alison:** currently, the “procedures” are as follows, as noted on the DOF website and in Fact Sheets for the BOF:

The Board meets three times per year, with one public meeting in southeast, southcentral, and interior Alaska annually. Board meetings are open to the public, publicly noticed, and a public comment period is scheduled. Meeting minutes are posted on the DOF website.

How many Public Hearings?

I concur with you that I think one annual public hearing with at least a designated and noticed location in each of the three specified regions of the State would meet the minimum criteria. There is no specific requirement that separate in-person hearings be held in each location, and the generic language in this statute seems to readily accommodate advances in technology. As long as any member of the public has notice of the hearing, an opportunity to attend a meeting in one of these locations, and has an opportunity to speak on the “subjects,” I think you are good.

Public hearings:

I agree with you that only one is required. Not specific to technology. You are following the statute if you have one public hearing in all the places, with all the places tied in, and the people who show up are allowed to comment. Leaves the question open about public hearings and meetings. You have all the discretion to schedule hearings and meetings. Public can be on the phone and chime in at appropriate times.

Chris: I had the pleasure of serving on the board when I worked with TCC. Marty Freeman was also part of standing up the board when it was established, setting up the procedures. The way we’ve interpreted it is not too different than the way Tom said, but we’ve said that we would have three meetings a year, when we could travel to all those regions. That worked well to form relationships between board members. I still feel the same about that, but our budget has changed that. Now we have two webinar meetings, one in-person. Maybe our budget could hold 2 in-person meetings a year.

Beck: Answers to the question about how many meetings should follow a discussion about what we want to do as a board.

Chris: Federal issues: Good Neighbor Authority and active management. Good for the board to talk more about that.

**Are we meeting the statutory requirements for the BOF?** Alison Arians, DOF:

**AS 41.17.047. Powers and duties of board.**

(a) The board shall review and comment to the commissioner on **regulations** proposed for adoption under this chapter.

(b) The board shall provide a **forum** for representatives of affected interests to discuss and attempt to resolve issues relevant to this chapter and to the forest resources of the state.

(c) The board, working with the department, the Department of Environmental Conservation, the Department of Fish and Game, other affected agencies and parties, and the forest-dependent industries, shall conduct an **annual survey of research needs** related to forest practices. The board shall review research proposals and shall make recommendations to promote research projects that would address these needs to the governor and the legislature.

(d) The board shall coordinate the **monitoring of the implementation and effectiveness** of this chapter, the regulations, and best management practices adopted under this chapter in meeting state water quality standards, fish and wildlife habitat requirements, and other forestry objectives. The board shall **report annually** to the governor on the effectiveness of this chapter and regulations adopted under it, with its recommendations for changes and for needed research and monitoring. The board shall notify the legislature that the annual report is available. The state forester, the Department of Fish and Game, and the Department of Environmental Conservation shall each present an annual report, independently, to the board on the effectiveness of this chapter, the regulations, and best management practices adopted under this chapter that protect the resources for which they have statutory responsibility, and shall make recommendations for changes to correct procedural or substantive problems. The board shall include the reports as part of its annual report. **The board shall hold hearings at least once annually in southeast, southcentral, and interior Alaska for purposes of taking public testimony on the subjects.**

- We are in good shape on AS 41.17.047(a) BOF reviewing regs, and (b) providing a public forum.
- We haven't done (c) in a few years, conducting an annual survey of research needs related to forest practices. Marty recommended that the Board ask Alison to do an Effectiveness Monitoring Workshop to ask about research priorities and gaps. Usually these are done in the late fall, to figure out who is doing what Eff Mon, what do people want to do, then rate the priorities, then report to the Board.
- On (d), we are good on implementation monitoring, and the annual report, but haven't dug into any new effectiveness monitoring since the final Martin report in 2014 and the Region II Effectiveness Monitoring project (Davis report) in 2016. We're probably OK for a few more years on this.

Regardless of how many meetings a year the BOF holds, can we make the meetings more valuable, so that Board members feel like their time is well-spent and they are adding value to the Division?

Chris Beck & Alison sat down with Marty over lunch last summer and talked about ideas for adding value to BOF meetings. Poverty mentality: we should be thinking about how to add value, not about what we can't do.

On next meeting's agenda, could we set aside a couple of hours to discuss Board functions in greater detail? Identify some of the most important issues the Division needs to address, and explore if and how the Board could be most helpful on those topics.

1. Would it be helpful for the Board to provide perspectives on overarching policy issues facing the Division? For example:
  - a. How much energy does the Division focus on national vs. state issues?
  - b. Should we sell timber to provide more jobs (community support) or get maximum financial return? How to best measure that return?
  - c. In Southeast Alaska, we sell our full AAC. In the Interior, we sell to market demand. Are those the right assumptions?
2. Could the Board provide helpful guidance on projects aimed at strengthening opportunities for wood products and projects in Alaska? For example:

- a. Look systematically at the opportunities and constraints facing the industry, and help develop strategies to increase contributions to Alaska's economy, quality of life and underlying ecosystem health.
  - b. Advertise the success of FRPA with the press, showing evidence of FRPA's effectiveness.
  - c. Create an educational campaign about what benefits value-added timber products bring to Alaska.
  - d. Invite the Congressional delegation to see Alaskan operations, for example, Tok & Dry Creek.
3. Southeast Alaska issues:
- a. What is the cost vs. benefit of engaging in Tongass issues, since we don't have authority over federal land?
  - b. Can the Board do anything to help with Good Neighbor Authority sales?
4. Southcentral Alaska issues:
- a. Spruce beetle outbreak and interagency strategy: working cooperatively to find funding sources to mitigate hazards. How can the Board help?
  - b. Loss of timber markets due to Chinese tariffs and overwhelming supply of wood from road construction projects.
- Look at strategic plan for DOF. Look at what we want to accomplish for the next 2 years. Easy to go down a bunch of rabbit trails. For new employees, this would be helpful.
  - We could ask Marty whether she would help us in the spring to mentor Alison for this process, or help in person.

Chris: We have some discretion over other topics we engage in. Carbon sales could be a good topic. Direct role for board? Just educating the public about those carbon sales and who has opportunity to participate. Right now just private land is involved through the California protocol. Several Native corporations have completed sales, and 5 or 6 others are working on them. Should stay up to speed on that. Let's take some questions now, can talk a little about it, and then schedule a more in-depth talk at the spring board meeting. We can take a look at updating our strategic plan. We have gone in DOF from a big plan to one-page plan, focuses on a very specific achievable ideas. Marty was a proponent of this. We could talk about this in the spring meeting. Comments?

Jaeleen: Can't provide too much input since it's just my 2<sup>nd</sup> meeting. Agendas are loaded—how can we have fewer meetings? I feel like you need more meetings to accomplish what you're supposed to do. I wouldn't only have one meeting a year. We should focus on statutory requirements. If some of them aren't being done, we should make sure they are being done. Given the ballot initiative that questioned the monitoring and regulation of our salmon, we need to show that we have effective statutes. I wouldn't argue for fewer meetings, but have the meetings more focused on what we're statutorily required to do.

Mark: I agree with Jaeleen. One meeting is too few, too packed with too many different topics. Change can happen quickly. In 2008-2009, when I was first appointed, personal use firewood became a concern. We provide value with the compliance monitoring, getting report cards once a year. 2009 meeting: we had a bad score on culverts in Mat-Su, so we highlighted that to the Governor, and that score got improved. Fieldtrips are really valuable. So much has changed since I've been on the Board. I think 2 meetings a year, more in-person, including fieldtrips, to have an understanding of issues as they arrive. Once a year is not enough. Fire regime can add a huge wild card to that—it's important to consider. We should pay attention to our Ps & Qs.

Eric Nichols: From forest industry side, I echo what Jaeleen said. Ballot initiative showed that we need to spend more time and effort disseminating information. We just had public meetings all over Southeast for the Roadless process, and fish was a big topic. Since I've been on the Board, we have

been a sounding board or buffer board when land use issues come up; for example, Petersburg, issues on Kodiak Island. It's a very large state. If we don't have a federal program, we don't have a state program: there is a direct economic impact to the state and also to DOF. We've been engaged in a lot of new things over the last many years, and we never know what's going to come up. We have a lot of non-timber people that make decisions—the more we can educate them, the better.

Chris: New topics: spruce bark beetle problem in Mat-Su like in Kenai. That kind of thing will come up.

Will Putman: One thing that worked well in Tok was the informal public meeting suggested by Ed Packee. It doesn't satisfy our public hearing requirement, but there was a lot of value in that, on top of the face-to-face meetings. Being able to interact with each other outside the meeting room, and with the public, was great. One place that there is a hole: requirements for annual survey of research needs. There are research needs, and always will be. But it opens up a Pandora's box—we have a depleted university, and Joint Fire Science's funding is pulled. One of our purposes should be to present these research needs to the Governor and ask them to fund the things that need to be addressed.

Bill Morris: Second everything that I've heard. I like the idea of fewer meetings, but everyone has mentioned that there is a lot of value, and especially value to in-person meetings, more than teleconferenced meetings. Two in-person meetings would be the minimum we should think about. On effectiveness monitoring, we are a little behind—that arena is what got me onto the Board. I would like to have another workshop. Everybody's budgets are getting smaller, but it's a good time to look at what the needs are, and influence where money should go.

Chris: We will have a focused approach at next meeting, update our strategy. It's time to do another survey. Address the general topic of salmon. We can do a better job of communicating with policy people and also to other interest groups and the public at large about our story. Key things I've heard: Board supports two in-person meetings a year. It's interesting hearing from longer-tenure members about what we have done. It's easy to forget those things. It might be good to have a little history of the board and its major accomplishments to help orientate new members.

Will: Good to identify hot-button issues—they can come up quickly.

Chris: Right, like the landslide issue became a science and technical committee. DNR is coming up on 60-year anniversary. We could do a retrospective, so people can see what we've done.

**Burning bill regulations:** Alison Arians, DOF. During this year's legislative session, the Division was able to update its fire prevention and open burning statutes with the passage of HB 355. The bill includes penalties to improve understanding, compliance, and enforcement. The goal is to decrease the number of uncontrolled, human-caused wildland fires, thus reducing risks to human life, loss of homes and structures, extensive property damage and to lessen fire suppression costs to the state.

Working with Anne Nelson, Dan Govoni, Tom Kurth on **implementation of statutes.**

- **re-writing regulations** from scratch: new statutes include enforcement authority to issue citations for violations, so new regulations must be very specific and more detailed. Once new regs are approved by Dept. Law, public process to complete regs changes.
- **creating a bail schedule:** statutes also give DOF the ability to set a bail schedule so that tickets for violations may be issued. Bail schedule sets out offenses and how much is charged for each. Must be approved by the Supreme Court.

Other parts of the process include

- educating the public on new rules,
- writing new Policies & Procedures for implementing new statutes, and
- training DOF employees



Need to finish by April 1<sup>st</sup>, 2019. Big job.

Unlike regulations changes for FRPA, which was mostly public notice process. Exciting to be working on the whole program. Still in the process of regulations/bail schedule, but let me know if you want an electronic copy.

Chris: Bail schedule has to be approved by the Supreme Court. Will be like a ticket. No court appearance needed, unless you want to contest it. In the past, many of the same items were in our regulations and statutes, but had to go through DA to engage in civil court. This give us a more effective prevention tool. If only one fire prevented, all this would pay off. An average fire costs \$6 to \$7 million if it escapes initial attack.

Will: Maybe opening up a can of worms, but don't you have a real need for enforcement authority for trespass?

Chris: This would be very difficult to get through the legislature. I spent five days in a row before the judiciary committee on this bill, and it was mostly over DNR's right to enter private land, which has always been in the statute, for example, to investigate a smoke report. Protection of personal rights was a huge issue. We were successful for fire, but it would be very difficult to get authority for anything else, like for cutting firewood illegally. We DO have authority under FRPA for stop work orders and fines, even some ability to have jail time. If it's just cutting firewood to keep your family warm, probably not going to pass.

Bill: What is provided for in penalties?

Alison: I will send new statutes and regulations to BOF.

Chris: Before, we had a big hammer, but it was quite a lengthy process to go through civil court. These new regs and enforcement authority will be a good prevention tool. Public education is the focus. We will have the tools to get repeat offenders. Public comment on these is coming up, so stay tuned.

## **Forest Management: Southeast**

**Tongass land base overview: forestry designation.** Earl Stewart, USFS—teleconferenced from Sitka: Thanks to Alison Arians for her help and coordination.

### **Timber Update**

- As of August, 2018, the Tongass has 67.7 MMBF of timber volume under contract. We offered 36.4 MMBF in Fiscal Year 18 and sold 9 MMBF of what we offered. A total of 19.6 MMBF was harvested.
- For Fiscal Year 19, the Tongass is planning to put up for sale 50 MMBF on Prince of Wales Island, 3 MMBF on Soda Nick, and 2.2 MMBF on Overlook for a total of 55.2 MMBF and small sales for a total of 60MMBF.
- There is currently 27.4 MMBF of sales *on the shelf*.
  - North Kuiu (13.6)
  - Wrangell Is (7.5)
  - South Snakey (1.8)
  - Inbetween (1.7)
  - Vallenar Young Growth (2.8) - Currently in Good Neighbor Agreement with the State.
- A timber sale support contract is in the Office of Acquisition Management currently for harvest unit boundary location (basic layout), boundary tagging and painting, and traversing and timber cruising.
- A memorandum of understanding with the Alaska Forestry Association will be complete and funded in the beginning of 2019, in order to have an experienced industry forester work with our

foresters. We have been and will continue to use an experienced forester from the State of Alaska (Mike Cooney) to work with our Thorne Bay foresters.

- We are working with District Rangers across the Forest to make presale employees available to help POW on their first timber sale that will come from the POWLLA. I will continue to shift staff as needed to accomplish flagship targets.
- I want to continue to appreciate and value the Good Neighbor Authority agreement on Kosciusko.

### **Timber NEPA Update**

- The Prince of Wales Landscape Level Analysis FEIS and Draft ROD published in the Federal Register on October 26, 2018. An incomplete email address for objection submissions was included in the original legal notice published in the newspaper of record on November 2, 2018. A new legal notice, with the appropriate correction, was published on November 16, 2018, which restarted the 45-day objection period. The objection period for the Draft ROD now ends December 31, 2018.
- The Central Tongass Project published its Notice of Intent in July of 2018, expects the Draft Environmental Impact Statement to be released in September of 2019, and the Final Environmental Impact Statement and Record of Decision to come out in March of 2020.
- South Revilla Integrated Resource Project's Notice of Intent to prepare an Environmental Impact Statement has been published.

### **Young Growth Inventory**

- A suitability analysis has been completed on 94 stands inventoried on Prince of Wales Island, representing 26% of all stands being analyzed during the Tongass Young Growth Inventory. A total of 356 stands located across seven districts have been inventoried this year, and a larger suitability analysis will be completed in the Spring of 2019.
- The suitability analysis is being conducted to determine the amount of acres and total volume of young-growth that will be unavailable for timber harvest after accounting for protections of watersheds and habitat, legislative restrictions, and general infeasibility due to conditions on the ground.
- This process is part of the Challenge Cost-share agreement between the State of Alaska and the Forest Service that began in 2015, to complete timber stand inventory associated with the young-growth transition, which will support sound, sustainable forest management practices across Southeast Alaska.
- All Landowners Group: Continue to work and operate with the Division of Forestry, University of Alaska, Alaska Mental Health Trust and Sealaska to maintain current industry and optimize forest product sales.

### **Alaska Mental Health Trust Land Exchange**

- Phase I of the land exchange is composed of approximately 2,400 Federal Acres at Naukati, AK and 2,500 Non-Federal Acres at Ketchikan, AK.
- Phase I of the land exchange is coming to a close in the very near future. The appraisal of Phase I of the Alaska Mental Health Trust Authority (AMTHA) Land exchange was completed by the contract appraisers.
- The next step following the appraisal is for the AMTHA to meet with their Board of Trustees for approval on phase I and II of the land exchange, which a requirement under the State Act. A special board meeting will need to be held in the coming month by AMHTA.
- Upon Board Approval, both the USFS and AMTHA will be prepared to close on Phase I of the land exchange.

- Following closure of Phase I of the exchange, parties will refocus efforts toward the processes necessary to complete phase II of the land exchange, of which many advance process steps have been completed.
- The Alaska Mental Health Trust Authority will acquire lands to maximize their assets, and revenues while supporting its mission of ensuring Alaskans have a comprehensive, integrated mental health program. The Tongass National Forest is acquiring lands for multiple-use management, including wilderness preservation and sustainable recreation.

Eric: After sitting through Roadless advisory committee, we struggle with trying to understand what timber is available. We need to peel back the layers. General question: does the USFS actually have an idea about what we can operate on? What is eliminated for scenic values, etc. It's a struggle to sit on these committees when we don't actually have an idea of the actual numbers.

Earl: Simple answer: no. As we work through these things, so much of the land already has some attributes on it that restricts or limits the utilization of the Tongass. In my 3.5 years here, the efforts from the TAC and the Roadless are probably going to daylight other issues. Land base is very restricted. Wilderness and Roadless take up millions of acres, overlaid by other protections. Some of the older stands have the most layers. Far less land is available for timber harvest than what most people believe or perceive.

Eric: Just after the meeting in Sitka, we were trying to explain to the general public what may be in development, but not available for timber harvest

Earl: Yes, in the range from suitable to unsuitable; I will offer very candidly—I learn something every week associated with the process.

Andrew Thoms: As we dive into where there's a good solution space for the Roadless process, for shorter-term supply and longer rotation, we find a lack of information about what's available. It feels like outlining a total number of acres doesn't even scratch the surface. We put a lot of effort from the TAC into young growth, but we need to know a lot more about old growth inventory. Are there plans for conducting studies on the old growth, to make good plans moving forward, to bookend what we're looking at for young growth?

Earl: Yes. Ongoing efforts tried to do that, but it's a significant challenge. It's a broader question than just operable trees. It includes bridge access, quality of trees, and geographic area. We've realized this year, that we do have a commitment to old growth inventory. We've found that the original analysis doesn't meet today's market needs. We have tried to flesh out the MOU with AFA to have someone there help our young foresters to understand current operations. This year we started to blend in old-growth, but still have lots more to do on that.

Andrew Thoms: Glad you have your attention on it. A lot of public around SE Alaska has concerns, wants more information to even out the feedback that we got from planning efforts. We need to get beyond total acreage and see what are the working lands; what is the supply and what can operators expect?

Earl: Yes, then using that information in the modeling to see if those expectations are warranted or correct.

Chris: The fieldwork is now wrapped up for young growth, and we are planning a symposium on young growth inventory. The next focused effort can be old growth that is still available. Where, how much, and how does that feed into the transition.

**Roadless Rule: lawsuit update.** Tom Lenhart, Dept. of Law, Assistant AG, Counsel for DOF: DOF has been active in all 3 houses. Senate, House, and Chris will talk about Executive Roadless process.

A few weeks ago, the case should have been in front of 3-judge panel. However, within a couple of weeks of the oral argument, there was a motion to hold the case in abeyance during the rule-making. Strategy for vacating the abeyance in the Roadless Litigation:

On Sept 26, 2018, the Federal Circuit Court in D.C. ordered that the State's challenge to the Roadless Rule, scheduled for Oral Argument in October, be held in Abeyance until the conclusion of the new USDA Tongass Rulemaking. This was in a response to a motion by environmental interveners who claimed that the rulemaking could completely obviate the need to rule in the pending case. The court issued the order with no explanation of its rationale. It also directed the parties to file a status report on the rulemaking every 90 days. The first status report is due on Dec. 25.

Despite the lack of explanation in the court's order, we assume they accepted the argument that the rulemaking could obviate the need to decide the current case by addressing all the issues. The State filed a vigorous opposition to that motion explaining that the intended scope, as set forth in the notice of rulemaking, was much too narrow to address many of the pending issues. However, the court might have assumed that it is possible USDA would expand the scope during the scoping portion of the rulemaking.

The scoping comment period is now closed and USDA is working on a response to comments. There were comments received on many of issues pending in the court. If USDA formally declines to expand the scope to address those issues, such as to include the Chugach or to reconsider whether the TTRA (Tongass Timber Reform Act) and ANILCA prohibit application of the Roadless Area (among other issues), the resulting document could be submitted to the Court as part of the 90 day update. Such new information would then support a motion to vacate the abeyance as there would then be concrete evidence that the scope of the rulemaking cannot possibly resolve the pending legal issues or obviate the need for decision. As such, the case should be immediately put back on the oral argument calendar. Extremely disappointing.

Chris: This has been a 17 year process.

**Roadless Rule: Division of Forestry/USFS joint effort.** Chris Maisch, DOF: The State of Alaska has been working to overturn or modify the application of the 2001 Roadless Rule on the Tongass National Forest since it was established. Secretary Perdue of the U.S. Department of Agriculture and the U.S. Forest Service have agreed to undertake a formal rulemaking under the Administrative Procedure Act by request of the Walker administration. Administrative Order 299 established the Alaska Roadless Rule Citizen Advisory Committee and established a process to develop options for an Alaska specific Rule that would be analyzed in a NEPA process with a final Rule being promulgated by the Secretary no later than June 2020. The State was recognized as a cooperating agency for both the NEPA and rulemaking process and a state interagency team co-chaired by OPMP and the Deputy Commissioner of DNR is working with the U.S. Forest Service to complete the process.

Hearings in 16 or 17 communities. USFS participated. Included small to large communities, remote to easy to access, including Anchorage and DC. CAC was stood up, first meetings in early October, Ketchikan late October, Sitka last week. Very aggressive time frame. Happy to say that group did achieve objective to come up with options: came up with four options between the the two bookend options: no change, and full exemption. Can't tell the board more about that until we share findings with the Governor. Will meet with the Governor to tell him about the process that was used. We have several members of the BOF that did double duty: Chris Maisch, Jaeleen, Eric, and Mark.

Thanks for being willing to serve. Andrew Thoms also served in that capacity. All 13 members were from SE Alaska, a diverse group that really pulled together on a complex project. Will send the report to the BOF as soon as it's complete. On the USFS notice of intent, I think there were 350,000 communications from around the country on this topic. A lot of the environmental community is engaging on this topic. USFS has an interdisciplinary team. Our internal team is chaired by Kyle Mosel OPMP and Heidi, our deputy commissioner, to look at alternatives. A draft EIS is expected out by June, and we will re-convene the group in June. Final decision should be done by June 2020. Stay tuned, more details as soon as we can share them.

**Tongass GNA Authority projects, including Vallenar.** Tim Dabney, DOF: The Good Neighbor Authority (GNA) program created in 2014 allows the US Forest Service (USFS) to enter into cooperative agreements or contracts with states to perform watershed restoration and forest management services on National Forest System lands. The Alaska Region of the USFS (Region 10) and the Division of Forestry (DOF) entered into a GNA master agreement in November 2016.

The 30 MMBF Kosciusko GNA timber sale contract was executed on September 19, 2017 as the first GNA supplemental project agreement (SPA) under the master agreement. Alcan is the purchaser. Termination of that contract is set at 12/31/2023.

The project is ongoing and on schedule. The preliminary unit prescriptions in agreement with the contractual plan of operations have been developed and submitted to the USFS for concurrence. Improvement of roads, unit layout, and development of harvest schedule are ongoing and on schedule. The timber sale unit layout continues with collaboration between purchaser, State Sales Administrator, and Forest Service specialists.

An amendment to the timber sale contract allowing 8.2 miles of FS 1500000 reconstruction work has been executed. The amendment provides \$809,183.82 that will be credited towards stumpage due under the contract. The road improvements are necessary to meet water quality requirements of the Alaska Forest and Resources Practices Act.

Reconstruction of 1.1 miles of the 1520030 road at junction of the 152000 road has been completed and accepted. Work consisted of capping with a 2-foot lift and some straightening. The State continues to work on utilizing extra stumpage receipts to facilitate habitat enhancement and recreation opportunities. During this quarter, work will be done on road reconstruction of the FS 1500000 road, pit development, culvert installation, and ditch work.

Sale administrator and others associated with the project were interviewed by an auditor for the USFS concerning the project under GNA. National GNA monitoring effort—picked Kosciusko for that audit.

The DOF recently entered into a SPA on the TNF to manage another GNA timber sale (Vallenar) that has been combined with a timber sale on the Southeast State Forest for a total of about 16 MMBF (13.4 MMBF OG/YG SESF + 2.8 MMBF YG TNF).

The Vallenar GNA Timber Sale was offered in September 2018; however, no bids were received on this sale whose volume would largely be exported to China. Due to the trade war between the United States and China, potential bidders shared their concerns about the adverse impacts to their businesses if required to pay tariffs. The current five and ten percent China tariffs on American timber exports are set to increase to 25 percent on January 1, 2019. The DOF is working with Department of Law and the USFS to develop an approach that would share the risks of tariffs among

the state, USFS, and the would-be purchasers on this sale and future sales while protecting the interests of the government agencies.

Additionally, DOF is in the process of reappraising the Vallenar GNA Timber Sale. We hope to have news on how we're going to proceed on the re-offering of sale in the coming days.

Jerry: Do you have a date when you're going to re-offer?

Tim: At one point, after we got no bids, and had some conversations with the parties, our plan was to pursue a re-offer by the end of October, but that date has passed. We found that the issues associated with tariffs are more complex than we'd hoped. We are working on sorting that out. Would like to offer it by the end of the calendar year. The sooner the better, but it's more about getting this right this time out, rather than getting it wrong and getting no bids. We'd like to get a successful bid.

Chris: China is only market for timber in southeast Alaska. A big issue that we're trying to work our way through. Thanks, Tim for doing this presentation for Jim Eleazer.

**Haines University timber sale update.** Jerry Kilanowski, University of Alaska: With the Haines 10 year project, we have been doing some field reconnaissance, and have found some good places and some bad places. Our volumes are probably going to be less than anticipated. A lot of that's coming from the second growth portion. The areas logged in the 90s isn't going to be ready, but in the timber logged in 70s, we're finding a lot of downfall on what we'd anticipated. The areas logged in the 60s and 70s were logged in the winter, but it didn't regenerate like we hoped it would; a lot of the regen is cottonwood and hemlock. In old growth and young growth, we've found a lot of illegal timber cutting. We found one spot in second growth where 6 spruce were cut and left, drying for firewood the next year. We're trying to get a handle on all that. Foresters around the state know that it's a problem everywhere. Unfortunately, the species of value is spruce, and that's what people want for their firewood. Come on, people, hemlock burns! Also we are looking at tariffs. Big issue out of Haines is a site to be able to load a ship. We are trying to work that out, and as of right now, we are still planning on going forward; there is still interest from the buyer. This will be delayed into the 2019 season by the time we find out more about the tariffs and the dock to move logs to a ship. All that we'll investigate further. We have hired a communications specialist as a liaison, Morgan Howard. Website will be updated weekly for what's going on: [UALandHaines.com](http://UALandHaines.com). It will be a negotiated sale, so some of that will be revised with the contractor also. Anticipating spring of 2019 to have a contract in place. Big issues are timber theft and trespass cabins for hunting and trapping. Unlike the state, we don't generally allow that on our lands, but people are doing it. Morgan Howard is in Haines, and hopefully it will help to have someone local resolving some of the questions that people have. As we proceed further, he'll update the website. The field season will begin in March/April to start looking at more of the area.

Chris: Do you have an update about your staff turnover with UA trust lands?

Jerry: Christine Klein announced her resignation at the end of this month, and the job has been advertised. That won't affect the Haines sale, though, since the sale as already been approved by the Board of Regents. We're in limbo right now because we don't know who it will be coming on, but new staff will be hired soon. Still taking applications for that position.

Chris: UAF did an economic analysis of the Haines sale. Are you coordinating that with the University?

Jerry: Not initiating that—I'd like to have their contact information. It would be good to have him contact Morgan Howard.

Chris: They called me last week while I was in Sitka.

Beck: Any sense of the concern by the community leveling out, reaching a middle ground?

Jerry: It will be contentious. In some of our meetings with the state and feds, had fish biologists and raptor experts—we invited them to come on our August fieldtrips to see what's out there. We are working with the proper state agencies on all this. No matter what we do, there will be people against the harvest; there's no getting around that. I will mention on my last trips out there, saw a lot of bark beetle damage on the Sitka spruce. Something we will discuss later. Seeing red needles in the young growth.

Chris: Assembly in Haines has mixed feelings—working on conditional use permit and a severance tax?

Jerry: Patrick is attending a meeting on it. Haines is going to try a severance tax on timber resources, possibly a tax on any export of natural resource material. They are trying to get some money for Haines community, but I don't know how it will all work out. If there's a road tax they could do something, but just charging X amount per thousand board feet may not work for them. That was on the Borough Assembly agenda last week. Not sure if it will move forward.

Chris: Interesting issue of local ordinances when it affects public land and forestry. Has come up in the Mat-Su Valley with large-scale chip harvesting. Some ordinances were passed on timing of operations. Interplay with local ordinances and public land.

Alison: Reminded people to look at UA's new brochure about land grant mandate that was mailed to them.

Jerry: Annual report just came out—I will get the URL for that and send it to Alison to send to the BOF.

Note from Alison: the link at the bottom of this page: <http://www.ualand.com/> Direct link: <http://www.ualand.com/WebSiteAttachments/FINAL%20FY18ANNUALREPORTcek.pdf>

**Mental Health Trust exchange update & forestry activity.** Paul Slenkamp, Mental Health Trust: Thanks for the time. Senior resource manager, in charge of timber program around the state. We have a small sale on Kenai for fuel mitigation, clearing 950 acres near Nikiski. Working with Alison looking for potential sales in the Mat-Su of beetle-killed spruce, but haven't penciled anything out. We also have small multi-year timber sales with local operators in Haines and Gustavus.

The TLO's timber sale at Icy Bay is going well. The second ship of the season is currently loading. Although an additional 500 mbf of timber was required to make a full shipment last week, that objective has not been met. Harvest this year on that sale is expected to be 10 mmbf.

Land exchange: Going quite well. As Earl said, we did just receive a verbal confirmation that reappraisal is looking better. Numbers look fairly good. Have not yet received actual appraisal, so haven't been able to do an analysis on it. We still need to move through with our own board of directors. A meeting was today but we haven't gotten the appraisal yet to provide the required analysis. Next scheduled meeting is Jan 3<sup>rd</sup>. The land exchange is based on value for appraisal. We are working on scenarios of what the final exchange will look like. What we're doing now is working with real appraised values—until we get the actual appraisal, we can't move forward. Hoping to get started sometime in the spring with our Phase 1 process: initial 2,400 acres in Ketchikan and central Naukati. Lots of trespass issues in Petersburg and Wrangell. Each one has to be mitigated, and USFS has to accept them—do they need to be just cleaned up, or cut out of land exchange? Pat's Landing—trying to maintain a LTF for future sales. Lots of politics, but we're committed to completing the exchange.

Jaeleen: Is this an administrative exchange, or looking at legislative options?

Paul: The Land Exchange Act of 2017 passed 2 years ago, and mandates USFS to do an exchange. But it's quite a long formal process that is very similar to administrative exchange. Have to go through statutory requirements.

Chris: Volume: exported 20 million board feet? That's what US dept of commerce published.  
Eric: We have to turn it in in tons—think there are conversion issues.  
Chris: This is cubic meters, using board foot conversion. Doesn't show the same as other published records.  
Eric: Would have to include Afognak.  
Chris: Yes, that is included. Any export included.  
Eric: That's like 1993 and 1994 numbers.  
Chris: Something is amiss. I'll look into this.

## **Forest Management: Statewide**

**Division of Forestry timber sale & FRPA implementation update.** Paul Keech, DOF: Regional forester, probably soon to be Northern Regional forester as we complete the hiring process for a re-instituted Coastal Regional Forester.

### **Southern Southeast Area Timber Sales**

Currently under contract: \*Southern Southeast Area office has 3 active timber sales with 2 operators for a total of 14,405 MBF.

Timber Sales:

- Coffman Cove Timber Sale: near completion about 4 acres remain contract expires 3/13/2020.
- Kosciusko Timber Sale through the State's first Good Neighbor Agreement (GNA) with the Alaska Region of the US Forest Service (USFS), the State (DOF) prepared and awarded 30,000 MBF on the Tongass National Forest.
- North Hollis Sale approximately 70% logged, contractor plans on finishing road and bridge to access remainder of sale in 2019.
- Vallenar Timber Sale for 13,475 MBF of State timber and 2,835 MBF of Federal timber which was auctioned off on September 24, 2018 in FY 2019. There were not bids and the sale and is currently being reevaluated and is planned to be re-advertised by the end of November 2018.
- North Thorne Bay 4 project is being reevaluated with other adjacent land managers, a plan of action should be in place by end of CY 18.
- Edna Bay Parley Timber Sale BIF signed, and needs complete layout, publish/adopt FLUP, cruise, appraise, and offer sale.

Activity of interest this coming quarter:

- Reconnaissance, identification, and evaluation of timber in the FYSTS.
- Field Inventory planning for the SESF.
- Two forester positions in SSE were vacated in September and October 2018. The Division is currently recruiting for these vacancies.

FRPA activity CY 18:

- 13 New notifications for 2155 acres.
- 13 renewals for 1430 acres.
- 18 miles road notified.
- 4 inspection on nonstate sales to date.
- 20 inspection on state sales to date.



- 1 stop order and directive issued.<sup>1</sup>

### **Northern Southeast Area Timber Sales**

Currently under contract: \*Northern Southeast Area office has 2 active timber sales with 2 operators for a total of 112 MBF.

Timber Sales:

- Baby Brown Timber Sale FLUP was appealed February of 17 and a new FLUP was published November 17 and adopted February of 18. Sale advertisement pending coordination with other land ownership offerings.
- Other small sales on schedule and estimated MBF:  
West Herman V: 400 MBF  
Walker 1: 400 MBF  
Miscellaneous Small Sales: 500 MBF  
Total 1,300 MBF

Timber/infrastructure projects:

- Kelsall Road was brushed.
- Sunshine Mountain Road was brushed, and one culvert was replaced after being washed out.

FRPA activity (Haines and Icy Bay):

- 8 New notifications for 762 acres.
- 0 renewals.
- 34 miles road notified.
- 0 inspection on nonstate sales to date.
- 3 inspection on state sales to date.

### **Mat-Su Area Timber Sales**

Currently under contract: Mat-Su Area office has 4 active timber sales with 2 operators for a total of 2,881 MBF.

Future 2018 Sales from Five-year schedule of Timber Sales and estimated acres:

Houston: 325 acres  
Willer Kash: 240 acres  
Rabideux: 51 acres  
West Petersville: 58 acres  
Fish Creek: 116 acres  
Total: 790 acres

Timber/infrastructure projects:

- Timber sales and interested in them have waned in the last year due to the Spruce Beetle outbreak (oversupply of spruce) and extensive road construction activities flooding our operators and the public with wood. The Chinese tariffs have impacted any interest in large sales.
- Road Improvements for Hunter Access, Recognizing that hunter access is commonly supported by State Division of Forestry (DOF) roads built and maintained for forest practices and wildland fire fighting, ADF&G is requested and received Pittman-Robertson funds in the amount of

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<sup>1</sup> Landowner was replacing a log stringer bridge and collapsed the structure. The Landowner's contractor subsequently proceeded without a plan to do site work adjacent to the stream. Stream was tributary to a Class B water system and has resident fish. A DPO was subsequently prepared.

\$274,155.30 to match \$91,385.10 of the DOF Mat-Su / Southwest Area road repair funds: FY15 CIP for Forest Access from the Alaska State Legislature. These funds are intended to provide for minor repairs in the Matanuska and Susitna Valleys that will not accommodate the substantial repairs needed as a result of heavy hunter traffic occurring on these roads.

FRPA activity:

- 1 renewal.
- 0 miles road notified.
- 1 inspection on nonstate sales to date.
- 1 inspection on state sales to date.

### **Kenai-Kodiak Area Timber Sales**

Currently under contract: Kenai-Kodiak Area office has 3 active timber sales with 5 operators for a total of 160 acre.

Future 2018 Sales from Five-year schedule of Timber Sales and estimated acres

Griner: 60 acres

Alamar: 70 acres

Kalanga: 95 acres

Total: 225 acres

Timber/infrastructure projects:

- Sold four sales the past year totaling about 100 acres, all for firewood.
- Kenai-Mat Su FYSTS was finalized in August.
- Spruce Bark Beetle Activity is escalating (about 50,000 acres on the Kenai), we're working with State Parks on tree removal in a couple of campgrounds.
- Timber harvest continues on Afognak Island to the tune of roughly 30-40 million feet harvest per year or 1500-2000 acres.
- All landowners on Afognak are planting seedlings annually, most years in excess of 500,000 seedlings total.

FRPA activity:

- 3 new notifications for 1460 acres.
- 6 renewals.
- 30 miles road notified.
- 4 inspections to date.

### **Fairbanks Area Timber Sales**

Currently under contract: Fairbanks office has 53 active timber sales with 20 operators for a total of 20,618 MBF.

Future 2018 Sales from Five-year schedule of Timber Sales and estimated MBF:

Nenana Ridge Powerline #3: 37 MBF

Parks South Aspen: 697 MBF

Hastings Salvage #1: 527 MBF

Nenana Ridge Mile 1 Birch: 37 MBF

Standard East: 3378 MBF

Nenana Ridge East Birch #1: 27 MBF

Nenana Ridge East Birch #2: 5 MBF

Left Fork Creek Spruce: 1025 MBF

Total: 5,733 MBF

**2018 Fairbanks Area Timber Sale Auction**

**Summary**

**March 7<sup>th</sup>, 2018**

**10am**

Sale Number and Name	Winning bidder	Volume	Minimum Bid	Winning bid
NC-1545-F Harding Mixed	Northland Wood Products	780 CCF	\$19,409.72	\$19,600.00
NC-1581-F Iowa Ridge	Northland Wood Products	1,314 CCF	\$36,253.26	\$36,253.26
NC-1602-F Salcha Flood Salvage #4	Superior Pellet Fuels	419 CCF	\$11,444.01	\$12,150.00
NC-1603-F Salcha Flood Salvage #5	Superior Pellet Fuels	109 CCF	\$2,180.00	\$2,180.00
NC-1604-F Salcha Flood Salvage #6	Superior Pellet Fuels	64 CCF	\$1,280.00	\$1,280.00
NC-1606-F Salcha Flood Salvage #7	Superior Pellet Fuels	1,020 CCF	\$25,764.24	\$25,764.24
<b>Totals:</b>		<b>3706 CCF (1,520 MBF)</b>	<b>\$96,331.23</b>	<b>\$97,227.50</b>

**Delta Area Timber Sales**

Currently under contract: Delta office has 26 active timber sales with 11 operators for 4,140 MBF.

Future 2018 Sales from Five-year schedule of Timber Sales and estimated MBF:

- Delta River Firebreak #3: 618 MBF
- Rowland #1: 1,007 MBF
- Mississippi Fire Salvage #9: 39 MBF
- Mississippi Fire Salvage #10: 29 MBF
- Gilles Creek Fire Salvage #11: 159 MBF
- Total: 1,852 MBF

**2018 Delta Area Timber Sale Auction**

**Summary**

**September 6, 2018**

**10am**

Sale Number and Name	Winning bidder	Volume	Minimum Bid	Winning bid
NC-1515-D Rowland #5	Logging and Milling Ass.	776 CCF	\$22,372.08	\$22,372.08
NC-1652-D Mississippi Salvage #9	Firewood Boys	76 Cords	\$978.50	\$978.50
NC-1653-F Mississippi Salvage #10	Firewood Boys	55 Cords	\$644.00	\$644.00
NC-1654-D Mississippi Salvage #11	Firewood Boys	121 Cords	\$1,479.50	\$1,479.50
NC-1714-D Rowland #1	Logging and Milling Ass.	2,284 CCF	\$65,847.72	\$65,847.72
<b>Totals:</b>		<b>~3,312 CCF (1,358 MBF)</b>	<b>\$91,321.80</b>	<b>\$91,321.80</b>

\*\*Fairbanks and Delta Areas are cubic foot volumes converted to board foot, smaller diameter fuelwood sale volumes may not be as accurate.

Timber/infrastructure projects:

- Delta River West Road extension firewood decks (February 2018) DOF auctioned off personal use firewood decked and piled during the right-of-way clearing from the winter 2017 road construction. The 40 decks ranged from approximately 1.25 cords to 10 cords. There were approximately 138 cords available. DOF has obtained a 5-year Fish Habitat permit through ADF&G for the winter crossing of the Delta River. The road construction project was originally funded with DOF and SDSWCD funds.
- Quartz Lake Road Extension Resurfacing (June 2018) DOF contracted Logging and Milling Associates to resurface approximately 200 feet of the logging road which sees both commercial

and public traffic. DOF obtained the DNR Limited Material Permit for the 200 cubic yards of gravel with the contractor providing the equipment time and man hours.

- Standard Creek Road Repair Contract (July/August 2018) DOF, through DOPOR's engineering section, contracted with Tutka LLC for 3,440 feet of road repair along section of the first 10 miles of Standard Creek Rd. Repairs included 4,460 cubic yards of fill for resurfacing and the installation of 8 culverts. The project was funded through CIP money.
- Cache Creek Bridge Abutment Repair (Winter 2018-Spring2019) DOF Contracted with Gilmore Construction Inc. for the repair of the bridge abutments on both banks of Cache Creek. Unusually high-water flow combined with debris to erode both the west and east banks of the creek leading to the failure of the bridge abutments. The project is funded through a combination of area budgets and CIPS.
- Rainbow Lake Access Road Resurfacing (October 2018) DOF contracted with Heritage Rock and Services for a repair of a heavily damaged section of the all-season road. The road is used for a winter ice crossing of the Delta River providing both public and commercial access. DOF obtained a 5-year DNR Material Sale Contract for an adjacent material site. DOF is providing the gravel and culvert for the repair with additional funds used from an existing CIP.
- 2019 Reforestation (Winter 2018-Summer 2019) DOF contracted Coast to Coast Reforestation Inc. to grow and deliver 40,000 white spruce seedlings for planting in 2019. Funding for the project will come from area budgets. DOF will issue a request for quotes from prospective planting crews with the plan to plant in August of 2019.

FRPA activity:

- 1 renewal.
- 0 miles road notified.
- 2 inspections on nonstate sales to date.
- 18 inspections on state sales to date.

### **Tok Area Timber Sales**

Currently under contract: Tok office has 17 active timber sales with 10 operators for over 4,408 MBF.

2018 Future Sales from Five-year schedule of Timber Sales, and estimated volume

Lookout timber sale: 1,350 MBF

Loran Salvage and Wood Energy: 42,000 tons

Tok Wood Energy & Hazardous Fuels Reduction: 405,000 tons

Johnson Slough Sawlog Sale: 780 MBF

Total 2130 MBF and 447,000 tons

Timber/infrastructure projects:

- River Road was graded and resurfaced.
- Porcupine Ridge Road grading and resurfacing of the main road.
- New personal use firewood access trail Tok staff is in the process of scouting and planning new access for personal use firewood.

FRPA activity:

- No new notifications or renewals.
- 2 inspections on state sales to date.

Tok wood fuels is producing their pressed logs and currently working on the distributor list. Logs will be available at Three Bears Grocery, they didn't say how much they would charge.

For more detailed information on future timber sales offered by Division of Forestry, refer to the Five-Year Schedule of Timber Sales for each management area these can be found online at: <http://forestry.alaska.gov/timber/fiveyearschedules>

Chris: We have decided to re-hire for a coastal region forester after a retirement occurred in that position, then consolidated the two positions into one. Having seen how that has worked out, we've decided that's too much span of control. We weren't giving SE Alaska enough time and attention, so we are working on recruiting and establishing the coastal region forester. Interviews are now happening. Should have something by the end of the month. Fairbanks Area forester also now in interviewing process. Hoping to have a candidate there by the end of the month.

Will: Budget issues notwithstanding, it's important to have two Regional Foresters with the breadth of Alaska.

Chris: Yes. We had three low fire years, so we didn't test the model with just one person. With a heavier fire year, we would really have a problem.

Eric: How are you doing with your recruitment in Ketchikan, and how will you get any sales done? What about Parlay sales if you don't have the personnel yourself?

Paul: We have more candidates than we expected for those 2 positions. I haven't done an in-depth look, but hopefully there are some good candidates. In the meantime we have one non-perm and staff from other areas that can assist Greg until those positions are filled. If we can't fill the positions, we'll have to look at alternative means to laying out sales.

Eric: My position from the industry: get those timber sales out on the street or there's no reason to have your budget there. Industry is at a crisis point. I can't continue to run a company on just-in-time timber sales.

Chris: We have a contractor that can help us on SE sales. We have another forester in Haines. Rory has been heading up Young Growth sales in the last few years. Will be a part of this work.

Beck: I have heard rumors of a new administration putting a freeze on new hiring. Is there an incentive to hire as soon as possible?

Chris: We will have to make a case for priority positions for economic reasons. The industry is dependent on state sales, so we will make a good case. Purchaser layout will be like for GNA sales, and contractors. There is a shortage of contractors for this, especially for old growth, in public and private sector. In the past, there has been a process to clear priority hiring. We are almost constantly hiring. It's very different than it has been in the not very recent past. Not too different for all organizations; mining sector the same.

Will: Timing of 2 forester positions leaving in Sept & October. Cause for concern? Nature of positions? How are we retaining those positions once they are hired?

Paul: It's definitely a concern. They were both from NW states, both returned to those regions. Best situation would be getting candidates from the local area, who are invested in the area. Hopefully new candidates will be from the area and will stay there.

Chris: We just submitted a document for incoming administration, with categories for projects in the next 30 days, 30-60 days, long-term. We did highlight an item about our problem with recruitment and retention. Not sure what the answer to the problem is, but we will highlight that for the new administration. Some good fortune with FIA program here—it hires 15 folks each summer. Have recruited 1-2 people from that crew into the Division, for Foresters I and II. They get experience, and then they are potentially part of a good candidate pool. We are bottlenecked at entry-level positions—not too many applicants at lower levels. Tim is working on flex position: Forester I/II means as they complete certain requirements they can move up to a level II.

Will: Very different than when I was young and looking for a job.

Chris: Not enough candidates for the jobs. Problem even worse on the fire side. In the past, we tracked the militia system, foresters would work on fire, then switch back. But as things have gotten more specialized, we are not finding enough qualified applicants. We are using qualifications from red cards to use for wildland fire fighting experience. We are doing that all the way down for qualifications, and have eliminated degree requirements. It's a direct result of not getting a big enough recruitment pool. Agencies are working to get more flexible requirements, because we've had to pass up good applicants.

**Chugach National Forest GNA project.** Tim Dabney, DOF: On August 29, 2018, the DOF and the USFS entered into their third GNA SPA in Alaska and their first for the Chugach National Forest (CNF). This agreement will begin spruce bark beetle mitigation work in the CNF. Two on Tongass National Forest; this is not a timber sale, but a forest health improvement project.

DOF crews will use chain saws to thin spruce trees to improve the health of the remaining trees and to help prevent beetles from infesting high-value areas within the Kenai Peninsula Zone of the CNF. The Granite Creek area is the first location identified for protection and enhancement of forest health. Additional priority sites in the forest at high risk for beetle infestation may be identified and added for restoration and protection work as funding allows. Under the three-year project, the CNF will provide \$95,000 to the DOF to perform the forest health improvement work.

In addition to benefitting forest health, it will provide funding for our firefighters during the shoulder seasons and slow fire seasons. Furthermore, it can provide a great crew training opportunity as well as extend seasonal employment for firefighters.

I'm really excited about this project. I'm a huge fan of GNA projects. BLM also has this authority. We want to continue to have projects in the Tongass and in the Chugach. One benefit in the Chugach is not only forest health improvement, but we have two 20-person crews in Palmer, plus several seasonal technicians. This type of work provides excellent training opportunities. Firefighters do a lot of chainsaw work. Many of these crews are largely dependent on wildfire codes—not straight out of state general fund. This work provides funding to keep these crews working, especially for our folks who work and live in Palmer and Soldotna. Normally they'd be going on seasonal layoff, but they can keep working longer on these projects. Have been working with Terri Marceron (Chugach National Forest supervisor), and have told her that through we have 3 years to complete this work, we want to do that as soon as we can, to show that we are good cooperators.

Chris: There will be more of these to come. Board should probably know that the current supervisor (Terri) is retiring at the end of December (we think). That could slow some things down. Change is in the works. Haven't announced a replacement for new Regional Forester for Region 10 (Alaska).

Beck: Agnew::Beck did a lot of outreach for this plan. Lots of interest for firewood from the public. Is that wood going to be available for firewood?

Tim: Norm McDonald recently went to the first work site (Granite Creek) with local Chugach FMO, and the plan is to fell the trees in place. Since it's on the CNF, I don't know what they will allow. We would advocate for the use of that for firewood. Crews could treat the materials to make it easier for public access.

Beck: Challenge is the ability to access the area. Lots of people pounding on the table asking for firewood. GNA could be a partner to help accomplish that.

Tim: GNA is for forest health improvement, but our comments are to focus on projects that would provide for fuels reduction, as well—around communities, places that are easily accessible.

**Consolidated State comments on Draft Chugach National Forest Plan.** Tim Dabney, DOF: History: formerly on the CNF Plan scoping documents, ADFG and DOF provided separate letters. This time, we consolidated our comments.

The State of Alaska provided consolidated comments to the CNF on its Draft Land Management Plan on November 1, 2018. In general, our comments stated that the Forest Plan should recognize and clearly identify where the Alaska National Interest Lands Conservation Act (ANILCA) provisions apply to public lands and Conservation System Units (CSUs) and the limits ANILCA placed on the USFS regarding the study of lands for inclusion in the Wilderness and Wild and Scenic Rivers systems. The Forest Plan should accurately identify the segments of the Iditarod National Historic Trail that are not a federally managed CSU, because they are on State lands and/or within existing State rights-of-way. Similarly, only Congressionally designated trails are CSUs in Alaska and the text should reflect this important fact. Further comments center on State ownership of navigable waters, State management of fish and wildlife resources, public and commercial use of resources, land selections, travel management, and recreation and commercial uses. (Summation of our 30-page comment letter.)

DOF's contribution to the consolidated comments focused on commercial timber harvest where we asked that they establish lands suitable for timber production at a level greater than 0 acres. While the plan states that only a few thousand acres are suitable for commercial timber harvest and that roughly 99 percent of the forest is subject to the roadless rule, as the nation's second largest national forest, the USFS could be doing more to foster a productive commercial timber harvest program on the CNF. They have no commercial timber program. We encouraged the development of an active forest management program that could support the development of a small timber industry. Such an industry could help achieve a variety of positive outcomes, including hazardous fuels mitigation, forest heath projects, and removal of spruce-killed hazard trees, as well as providing employment and other economic gains in the area.

For more details, see the thirty-page letter.

Chris: Roadless piece: Initially, we were considering whether to include CNF in the Roadless Rule petition, but decided not to include it because of the timelines we had and the complexity of the project, and because the forests have different issues. It's still all about access and flexibility, but the issue on the Tongass has always been on the Tongass exemption. At some point in the future, perhaps the State would circle back to the CNF. Some would have liked us to consider it. Doesn't mean it won't in the future. How many years was this plan in the making? 5?

Tim: Yes, when Terri started.

Beck: 6 years on a 2-year schedule.

Chris: Secretary says that NEPA process should take no more than 24 months. Hopefully something will happen soon on that.

## **PUBLIC COMMENT:**

Fairbanks: no. Anchorage: no. Ketchikan: no. Juneau: no. Online: no.

We will come back to order at 1:15.

## **Forest Health**

**Results of spruce beetle survey in south-central Alaska.** Jason Moan, DOF: PPT presentation. (See PPT on Board of Forestry website: <http://forestry.alaska.gov/alaskaboardforestry/>)

Forest Health Protection. Update on status of spruce beetle outbreak. Monitoring: how we conduct surveys (aerial surveys). Cooperative effort between DOF and USFS FHP. Not just spruce beetles, but other insects and disease. Survey over about 30 million acres annually, which is about 15% of the State's forest, so we're getting a good sample. Looking only for current year's damage: actively infested trees, not counting long-dead trees. When we're flying through the forest, we draw a polygon around the damage. There are some red trees, but the polygon contains a mix of damaged and undamaged trees. It also contains birch, which is not affected by spruce beetle.

Overall damage statewide over past 20 years: you might notice in 1996, peak of spruce beetle damage, tapered off in 2000. Next ten years, only about 100,000 acres each year. In 2011-2015, tapered off to 20,000 acres/year statewide. Current estimate of this year: 593,000 acres, which has come up from very low amounts in 2015. Very rapid increase. Landscape-scale analysis: statewide, some in Southeast and Haines, some in western part of state: Katmai and Woodtikchik. When we zoom in to southcentral, we have about 557,000 acres between Anchorage, Kenai, and Mat-Su Borough. Heavy impact in Susitna and NW Kenai. Cumulative area impacted 2016-2018 is about 915,000 acres statewide. Haven't been able to survey the whole area, but that is at least the amount of acreage we have.

Kenai: Northwestern area mostly impacted.

Mat-Su Valley: Everywhere we surveyed we were picking up some activity. Tapers a little toward the western edge.

Projects related to this: DOF forest health program is doing stewardship projects with landowners, working on individual protection of trees not already infested. Denali State Park: testing anti-aggregation pheromones. Treatments were not particularly successful. Better results in UT, WY, CO, NM. Typical of studies like this in the past.

Systemic insecticide trial. Common protection is a spray that must be sprayed 20-30 feet high. Many people are averse to that. Trying to develop systemic injections that might work. Some success in high-elevation Engelmann spruce. First trials of that here, will be a 3-year project.

Ground surveys. Help determine when beetles fly, get management suggestions. Spring flight is heavily determined by temperature.

Outreach: We have been holding public workshops with UAF Coop Extension, DOF Stewardship, Community Forestry, Area Offices. Lots of work with the media, lots of presentations. Tripled the number of calls to the forest health program. 2/3 of those are spruce-beetle related.

[www.alaskasprucebeetle.org](http://www.alaskasprucebeetle.org) is a cooperative website for information about spruce beetle as it relates to Alaska's forests. Management information is on there now, and we will have outbreak status maps as we move forward.

Beck: At my property near Talkeetna spur road, Chris Mannix, a long-time builder in the area, is helping us working on our land. He said that the outbreak of this year is creating wood with a different character. Previous years' outbreaks, wood was still good for firewood, houselogs or sawlogs. This year, they are punky and rotten. This is just one data point; what are you finding?

Chris Maisch: Maybe it's a wetter regime? In Tok they can use wood fire-killed for many years.

Jason: I have received a few calls here and there related to how long those trees are being useful—sounds like it's pretty variable.

Will Frost: I've seen localized outbreaks my property near Kodiak, as well. Any plans to survey Kodiak/Afognak?



Jason: Surveys do cover that area, but this year the weather was a bit low—our flights near Kodiak were restricted this year. It typically is covered annually.

Will: I can provide GPS coordinates of where activity is.

Jason: Would like that data.

**All-Lands Strategy for south-central Alaska's spruce beetle outbreak.** Alison Arians, DOF: Beetle-killed spruce in the Mat-Su and Kenai's mixed spruce and birch forests has impacted or has the potential to impact many resources in the area, including recreation sites and public use areas, infrastructure like utility lines and transportation corridors, timber values, and tourism. Jason has explained how the FHP and S&PF are assisting landowners. Another way that DOF is dealing with the spruce beetle outbreak is by coordinating an interagency, all-landowner spruce beetle strategy. For this effort, each agency/owner is identifying the problems affecting their lands and prioritizing mitigation projects. The strategy will help identify opportunities to work cooperatively across ownership boundaries, and we hope it will help us obtain funding to address the problems.

During the 1996 outbreak on the Kenai, the DNR spruce beetle strategy was successful in obtaining funding to mitigate the hazards. We hope that by coordinating a joint strategy endorsed by agencies, land managers, and large and small landowners throughout the affected area, we can be successful in getting grants to achieve our priorities, which include:

- removing hazard trees from public use areas (like campgrounds, trailheads and river access),
- removing hazard trees near utility lines,
- providing assistance and information to residential landowners,
- selling personal use firewood sales of dead spruce, and
- training people to safely cut dead spruce.

General information, matrix of projects and approximate cost.

**Kenai ALAH meeting October 24<sup>th</sup>.** Compiling information from Kenai group.<sup>2</sup>

**Mat-Su ALAH meeting November 29<sup>th</sup>.** Agencies, land managers, community councils, Native corporations.<sup>3</sup>

DOF has already expanded areas for personal use woodcutting of the dead spruce on forestry-designated state lands. Looking at MLW general designated state lands for more sales of this type, as well as working across ownership boundaries on MHT land, which is also open to selling dead spruce for firewood. We don't have a market for commercial timber sales in Kenai or Mat-Su now—partly because of Chinese tariffs, partly because of the surplus of extra wood from construction projects, and partly because of the mixed spruce/birch forests. It's difficult with equipment just to harvest dead spruce and leave the birch.

Trying to get this done soon; it's better to address this during the winter when snow is on the ground: campers are not in the campgrounds, less impact pulling out hazard trees.

Will have strategy complete in December for USFS, legislature, other funding sources that can hopefully help us mitigate the impacts.

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<sup>2</sup> ADFG, DPOR, DOF, NPS, USFWS (Refuge), USFS, KPB, CIRI, Chugachmiut, City of Soldotna, City of Kenai, Homer Electric, Kenai Peninsula College.

<sup>3</sup> ADFG, DPOR, DOF (Fire & Resources), USFS, MSB, MSB Parks, Matanuska Electric Assoc., NPS, Community Councils, MHT, Ahtna, Chugach Alaska, Eklutna, BLM, Tyonek, Kniklatnu

Chris: In terms of the fire risk: that depends on the temporal scale. Dead spruce have fine branches for a year or two. What we found on the Kenai in the early spring—stands die, get more sunlight, encourages grasses, much flashier fuel, like in Caribou Hills. When trees still have fine branches on them, they break off very easily, become fire brands, land in dead grass in the spring. Sending showers of sparks away from tree that's actually burning. One tree, then 4 or 5 spot fires. There is a significant risk increase for a period of time, then goes back down.

Mark: Did Chris mention that Mat-Su might be different? Kenai—grass taking over and inhibiting reforestation—is that the same model there?

Chris: Could follow same path in stands with heavier spruce, but there is more birch on the Mat-Su.

Doug Hanson: Already grass there, so any more sunlight there will encourage grass to be more vigorous.

Chris: Won't be the same as the Kenai.

Mark: A lot more population interface throughout the Mat-Su if there is a major fire.

Chris: Yes, it's the most populous area of the state. Historically, that area has had the most loss of structures from wildland fire. Sockeye, Miller's Reach. Unfortunate history of fire at the right time with right conditions, We can have a challenging situation.

Eric: Have looked at commercial timber. From my perspective, there has been too little too late. A little bit indicative of not having an industry. A million-acre problem. You'll just pick away at it until there is a major sale. How big were those Mat-Su sales?

Alison: 7,000 acres and 1,700 acres.

Eric: Round log export not the right market. Chips better. We don't have the money to deal with the problem.

Chris: So far it hasn't been economically feasible. A matter of prioritization. Someone was interested in a chip supply but it needed to be certified volume in the Japanese market. Not feasible for us to do.

Eric: We have problems on the Kenai—reforestation, grass problems. You don't have the infrastructure. You'd have to look at an international scale. You have a time problem that's bearing down on you to build up an infrastructure before the wood falls over and it rots.

Chris: We don't have a sustainable market, either. If you have any market leads, let me know. We have a couple of loggers up there, but they can't make it pencil out.

Eric: I've been involved in Japan and chips—it's a marketing effort. It's not something you do overnight. It's a huge problem. Some chips in China. I don't know if the chip market will pencil out.

Chris: Yes, and also there aren't any roads. Susitna River is a big barrier. We get a lot of tire-kickers in the Mat-Su, but few of them do anything.

Eric: You'll have fire problems.

Chris: Active firewise program should be part of the strategy.

Bill: The early figures Jason showed—how does the trajectory compared to the last outbreak?

Jason: Annual surveys have been going on since early 70s. We have data there—we have been looking at the cumulative area impacted compared to initial few years of the outbreak in the 1990s, which actually started in the late 80s. It seems to be pretty comparable. Not pure spruce stands now. Overall trajectory might be different. First few years, it seems to be paralleling.

Chris: You could do a double scale on the graph: compare 2004 and 2018 to see how we are pacing with the 1980s outbreak. See if the slope of the curve is about the same.

Jason: We started working on that, and it does look pretty comparable at the start so far. Can send this slide out. Will different forests look different?

Chris: Bigger questions: could this move north of the Alaska range? Some spruce beetle out at Kaltag in the late 1980s, but we've never really seen anything besides isolated outbreaks in the interior.

Will: If we have a big outbreak in the Tanana Valley, we're sitting in front of a loaded gun.

Chris: A lot of this could be related to the issue of climate.

Jason: We are trying to look at temperature data. It could be due to a change in life cycles—mix of 2-year and one-year life cycles, which may be partially involved in rapid population growth. Spruce beetle does exist in the interior. We have monitoring traps all through the interior.

Will: Stand or forest history: could depend on distribution and amounts of stagnant spruce stands that are more susceptible. That might have been what happened in Kenai and lower Yukon epidemic. Really old white spruce, with right conditions.

Chris: We will have preliminary estimates on how much this costs, and I can take a briefing paper to DC the week of December 3<sup>rd</sup>.

Alison: I will have that for you.

## Non-timber Forest Values

**Update on Yellow-cedar listing.** Alison Arians, DOF: In 2014, concerns over the widespread mortality of yellow-cedar led to a petition to list the species as endangered or threatened under the Endangered Species Act (ESA). Several entities<sup>4</sup> petitioned the U.S. Fish and Wildlife Service (FWS), which has management authority over native plants.

In their 90-day finding issued in April 2015, FWS found that the petition provided substantial scientific or commercial information indicating that listing may be warranted. The state (ADFG & DOF) responded to the positive 90-day by submitting a letter discussing the limitations and gaps in the scientific information presented in the 2014 petition to list yellow-cedar. Our comments did not change FWS's 90-day finding.

The 90-day finding initiated a species status review by FWS. The Partner Review Draft Species Status Assessment was received by ADFG and DOF at the end of August 2018. It documented dead and dying stands in SE Alaska and BC, Canada, but also noted that not all stands are affected. The FWS used modeling to predict the effects of climate change, fire, and logging across the range of the species.

We submitted comments on the Partner Review Draft in mid-October. Our comments were similar to the previous comments on the 90-day finding:

- YC only in decline across about 5% of its range. Mortality associated with specific site conditions—most of the population not in imminent decline.
- Across its range, YC demonstrates high resiliency, redundancy, and representation, suggesting long-term overall viability and persistence.
- YC has high genetic diversity and long life.
- Factors bode well for continued survival of species across a wide range, even if some localized losses occur.
- Listing would be speculative and ineffective. Instead, proactive management would be a better tool to address YC conservation.
  - Salvage of dead cedar
  - Active management to encourage persistence in mixed forests
  - Experiments with assisted migration to explore range extensions as the climate changes.

The final SSA should be out this month—not sure whether it will change based on our Partner Review. Next step is a 12-month finding on whether listing is warranted, which is expected by June 2019. The two options are whether the listing is “warranted” or “not warranted.” If the finding is

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<sup>4</sup> Center for Biological Diversity (Anchorage, AK), The Boat Company (Poulsbo, WA), Greater Southeast Alaska Conservation Community (Sitka, AK), and Greenpeace (Sitka, AK)

“warranted,” there is a public comment period on the proposed listing. If “not warranted,” the listing review is finished.

#### Yellow-Cedar Listing Timeline

- June 2014: Petition to USFWS to list yellow-cedar as endangered or threatened under ESA.
- April 2015: 90-day finding that petition provided information that listing may be warranted. Initiates Species Status Assessment.
- June 2015: State submits comments disagreeing with 90-day finding.
- August 2018: Partner Review Draft of Species Status Assessment received by ADFG.
- October 2018: ADFG & DOF submitted combined comments.
- November 2018: Final Species Status Assessment expected.
- June 2019: Final decision (12-month finding) on listing expected: “warranted” or “not warranted.”

**Carbon projects with Native Corporations.** Brian Kleinhentz, Terra Verde: Native Corporations are primarily doing this, any private landowner can do it. But you need a certain number of acres. MHT, Native Corps, State land. Not federal.

Market carbon like timber, develop an agreement that the trees will stay there. Companies recognizing that through regulation and their own interest, they can manage CO<sub>2</sub> levels in the atmosphere. In CA companies are required to manage emissions. Other companies choose to put a carbon neutral stamp on their product. If you were to design a perfect filter for CO<sub>2</sub>, it’s hard to imagine a better and cheaper one than a tree. Trees are a natural tool to use to battle carbon buildup in the atmosphere. CA is the first place to do this: created a substantial value and a market for this.

Markets and pricing. When Alaska was allowed into the CA market, had \$9.5/metric ton. Now we’re getting \$13.0/ton. Not the same price as timber, but not so many barriers—equipment, logging. Even voluntary pricing is very strong—like corporate goodwill. They are over \$9/metric ton.

Sealaska & Ahtna were early adopters. Information about how many tons were generated—this is all public information. Over \$120 million in credits already sold. Over \$150 million more under development. Outlook for Alaska: probably more even that is happening now.

Terra Verde installs the field measurements. Measurements are turning directly into money. Cruising the timber usually still has to do the logging, but not for carbon: we have to be very precise. It’s going to be a very busy summer. There is some uncertainty around the CA market—that is politics. They like home-grown projects, and have limited some outside CA, so it might slow down after 2021 in Alaska. Currently the market has been extended until 2030.

Chris: What do you do about an unavoided conversion (fire)?

Brian: Although there are different markets, they treat it the same way. When a landowner puts a project together, if they generate a million tons of carbon, they are required to put a range of that into a shared insurance pool. 20% of your value goes into an insurance pool. Even if your whole forest gets burned up, you’ve paid into your insurance, you’re covered. Even as fire prone as Alaska is, there are other places even more fire prone than CA. So far we haven’t had any claims. Several Lower 48 states can’t even get through the field inventory without part of it catching on fire.

Eric: What is a conversion for ton of carbon for ton of fiber?

Brian: That’s on a later slide:

Rough Conversion Factors for SE Alaska

1 sqftbasal area/ acre = ~1 metric ton of carbon per acre

Divide gross board feet per acre by 75 to approximate metric tons of carbon per acre

(12,000 bf/acre) / 75= 160 tons of carbon per acre

Central and Western Alaska not included yet because we don't have an FIA inventory yet. That might open up a market in other areas. Hopefully CA will let people participate post 2021.

Mark: Question about the scientific basis of carbon in our atmosphere: does it matter where the carbon is absorbed? Is there any logical reason why California should be soaking up the carbon there? Or does it not matter over the whole planet?

Brian: Great question. Scientifically speaking, most people agree that the carbon cycle is a global phenomenon. The most powerful push-back from the state of CA wasn't on science, but on social justice. If you let big companies invest in AK, WA, ID, they will continue to build big dirty plants in poor neighborhoods in CA. They wanted to keep investment local to project at-risk human communities.

Alison: How long do you have to keep the forest whole to get the payout?

Brian: Year one, if you're a landowner, you get to sell however many tons above the baseline.

Biggest benefit to landowner comes in year one. Natural appeal in terms of opportunity costs. A lot of effort to see how much is above the baseline.

Conversion factors. SE Alaska: Measure trees substantially differently than we do for timber. SE

Alaska: 12-inch lodgepole pine, has a similar carbon value to Sitka spruce, with much more commercial volume. We measure all the trees, not just the timber marketable volume. Doesn't matter how much defect is in it—has to be rotten or a big hole in it to take it out of the measurements.

Photos of some of the plots—look like research plots. The work has to be repeatable. Audits have to happen on the measurements, not the scaling over a skid.

Impacts on management: if a landowner does choose to participate, they are limited in terms of management. If you want to have timber harvest on these lands, you have to have forest certification.

Also, clearcuts can't be bigger than 40 acres. Main commitment is that forest stocking should not drop below the level for which carbon credits have been generated. Commitment may be 100 years.

Can't drop below whatever the level is that you committed to. Project was bred out of regulatory environment; with lots of regulation. Helpful for some landowners. Have to learn to understand what's going on outside Alaska—looking at California.

Eric: What is the FIA baseline carbon/acre for SE?

Supersection	Assessment Area	Associated Species	Site Class	Basal Area (Sq Ft / acre)	Common Practice - Above Ground Carbon Mean (mtCO2e / acre)
Southeast and South Central Alaska	Alaska Range Transition	Sitka spruce, White spruce, Black spruce, Cottonwood, Aspen, Paper birch	All	55.12	37.14
	Kodiak Island and Alexander Archipelago	AK Yellow-cedar, Cottonwood, Lodgepole Pine, Mountain hemlock, Paper birch, Red Alder, Sitka spruce, Western hemlock, Western red cedar	All	124.47	120.22
	Mountains, Chugach-St. Elias Mountains and Gulf of	Cottonwood, Mountain hemlock, Paper birch, Sitka spruce, Western hemlock, White spruce,	All	104.00	84.90

Alison will send presentation to all BOF members

Will: Ahtna is a big player, but most of their land is north of the Chugach.

Chris: Yes, but we have FIA data on that. Don't know where, but it's published data somewhere, or they wouldn't have the project. That's why there are no interior projects yet.

Will: So the prognosis of having those projects in the interior is to get FIA data up here? Boreal forest—we have peat bogs and carbon. What about small private landowners?

Brian: It depends on how small. You have to be on the scale of a village corporation to do 4-5,000 acres to make it worthwhile. Inventory costs would outweigh the benefits otherwise.

Will: I was thinking about Native allotments, but that would be too overwhelming.

Brian: You'd have to build a coop. It would be a big project.

**Wood energy update.** Devany Plentovich, AEA:

- Wood Innovation Grant applications are due January 23, 2019. This year, a change: you can now purchase durable equipment with this money—for example, a burner or a pellet silo.
- The Alaska/Yukon Territories Wood Energy Conference is tentatively scheduled for the week of April 15, 2019 in Fairbanks at the Wedgewood. Tour will start in Whitehorse and go to Fairbanks.
- Cordwood Operator Training is scheduled for March 11-15, 2019 in Tanacross. 3<sup>rd</sup> weeklong training.
- Prefeasibility studies are complete for:
  - Bartlett Regional Hospital – Juneau
  - Silver Gulch Brewery – Fairbanks
  - Mentasta clinic and multifamily housing
  - Holy Name Church – Ketchikan
  - Victory Bible Camp – SuttonAll look quite promising.
- The current Ketchikan pellet supplier has notified customers that they will not be continuing to supply pellets. A workgroup has been formed to investigate opportunities for a regional pellet storage and supply. AEA is leading the development of a feasibility study to support potential grant/loan applications.
- The Tazlina cordwood system is operational and is supplying heat to 5 community buildings.
- Tanacross is operational, and has burned ZERO gallons of heating oil since the system became operational in September. Tanacross received a loan through the AEA Power Project Fund. Three cordwood boilers are heating the clinic/community center and the water treatment plant, displacing approximately 22,000 gallons of fuel oil. Went through our training.
- The Fairbanks North Star Borough has requested termination of the Emerging Energy Technology Fund grant and the Wood Innovations grant that were funding the design and construction of the Volter biomass gasification system. Haven't given up on that—looking for another community to take over.
- Huslia and Hydaburg are in construction of cordwood heating systems.
- Craig High School has hired R&M Engineering to complete the design of a chip system for the high school. This work is funded by an USFS Wood Innovations Grant.
- Alaska Gateway School District's Northway School has hired CTA to design of a chip heating system. This project is funded by Alaska Energy Authority and USFS.
- TCC will be developing a harvest plan for the City of Ambler. Ambler received funding through a High Cost Energy Grant for the design and construction of a cordwood heating system for their city offices and washeteria.

Chris: On Volter: FNSB not involved?

Devany: Correct.

Chris: FNSB public recently voted to not allow the borough to limit burning because of air quality.

Mark: On Ketchikan, do you mean for large-scale project getting pellets?

Devany: 40 pound bags are not at risk, but now importing from Prince Rupert or Tacoma. Complicated supply. Two entities interested and we are now working through economic issues.

Chris: Are these super sacks?

Devany: Yes.

Chris: Volter—was there a similar project installed in Yukon ?

Devany: We did some testing in Quebec. Had some good short-term run of success. Going into community of Teslin, working through some bureaucratic issues. Competition to see who can get it installed first—us or them. None of us are doing very well.

**Alaska Trails/Outdoor Recreation Initiative.** Chris Beck, Agnew::Beck, LLC: I'm involved in an ambitious unsolicited statewide trails planning initiative. Relevance is about public land management at its heart, and how those decisions can help us. Driven by economics. The way we're pitching this idea is to contribute to a stronger economy and a more durable one. Would like a discussion about how outdoor activities overlap with timber industry, shared management. How does outdoor recreation relate to forest management? An example is Pittman-Robertson funds. Last year it gave money back to the federal government, the year before that it gave even more back. Outdoor recreation folks—pick a place that could use better access for hunting, dog mushing, etc. How does timber industry relate? See PPT presentation at <http://forestry.alaska.gov/alaskaboardforestry/>.

Chris: Was that a waffle or a pie?

Beck: Make the waffle bigger.

Chris: It's a capacity issue—it's hard to do some of these things. A simple thing like a map of the TVSF road system for ATVs—only woodcutters and hunters that know anything about our road system use them. The average citizen or tourist doesn't know about these roads, and they would be good for mountain biking/snowmachining. That use is very compatible with our mission of forest management. There are certain times when other uses are not compatible, but usually not a problem.

Bill: A little investment could make a big difference.

Jaeleen: This is another thing that's fitting for an ALAH meeting. Cultural group—we've thought about this when we make land selections. It would be an excellent thing to discuss.

Beck: Bend, OR: when you ride bikes in Bend, it's a happy time, lots of brew pubs, and you can get right onto Deschutes Forest Land next door. You bike through active forest management lands—thinning, clear cuts, etc. You're looking out over a strongly harvested landscape. Hood River, and much of the most popular trails that have just been harvested. 6 weeks ago, 16 years ago. Harvest plan had in mind some post-harvest recreational advantages.

Chris: We can bring this up again at the next meeting when we'll have more time to provide feedback.

## **Board development**

**Ethics Training.** Maria Bahr, Department of Law: See attached handout: Ethics Information for Members of Boards & Commissions (AS 39.52).

Declaration of potential conflicts. Has to be recorded or documented in the minutes.

Improper representation. Reveal that you have a conflict, but you can actually take off your board member hat and then assist others on that issue—if non-salaried.

Can ask me questions now, or can ask me later privately.

Beck: The function of this group is for each to advocate for their interest. For example, it could be a business pushing the state to offer more timber sales.

Maria: Yes, people come to the table because of the outside interest. If the outside interest could blind you to your work on the board, you have to disclose. The Chair needs to decide whether it's appropriate for that person to vote on a matter.

Chris: The function of board is more about the functioning of the Forest Practices Act.

### **Wrap-up**

Next meeting date: **April 3<sup>rd</sup>**. Check with Jaeleen after December 6<sup>th</sup>. Next meeting, could keep it shorter, focused on report for Governor, statutory items. Might be better to do strategic planning face-to-face.

April 3<sup>rd</sup>. full day or half day.

Future agenda items:

Jaeleen: Make room on the agenda for what our statutory obligations at every meeting. Look at research needs once a year.

Mark: I agree to have research needs. If that's part of our charge, let's brainstorm. Doesn't have to be a formal process, but we should always be talking about it.

Chris: Sometimes we've had a more formal process, then reported back to the board. It could also be general board discussion. We could challenge our sister agencies to address that in their next reports. Usually we report on the same things. In our request, we could ask them to have research needs and follow up with a discussion.

### **Agenda items for next meeting:**

- Strategic plan for BOF
- Actions taken to help the public better understand what we're already doing to protect fish habitat.
- Research needs. Informal, or relaunch Effectiveness Monitoring Workshop?
- Recreation results, discuss with Chris Beck. (i.e., Pitman Robertson funds for TVSF trail/road map)
- Spruce bark beetle strategy update
- SE timber situation: tariffs and sales: Volume available to timber industry
- FY19 Budgets and FRPA implementation
- Status of state timber program
- Southeast forest management issues (Edna Bay LTF & Municipal Entitlement)
- Yellow-cedar Endangered Species Act update (Erin Knoll)
- Air quality survey results from Fairbanks/North Pole (Chris Beck)

Topics from August meeting:

- Meshing contracts for AFS and Type 2 crews. AFS solicitation for EFF crews in rural communities.
- Fuel logs project update from Tok Wood Fuels
- Report on University research and funding, including McIntire-Stennis funds. How best to integrate applied science?
- Issues for small miners, especially access and management of state forests. Also, products being used.
- School land trust, Sections 16 & 36: Spike Jorgenson
- If applicable, consider inviting appellants of state SE timber sales to address the Board
- If applicable, consider inviting DNR Commissioner or deputy to speak about delays in appeal responses
- Discuss creating a BOF award for innovation, artistic value, community engagement



**Board comments:**

Will Putman: Appreciate Alison and work she's done to organize, presentations that we watched today. I appreciate Jason's presentation on the spruce bark beetle, and Eric's comments on the scale of response to getting a handle on it. Really big challenge. Some trepidation with that coming up to interior. I'm glad we're keeping abreast of the carbon credits projects. Good to have that explained again--meaningful ways to mitigate carbon. Strategic plans—they are like the dentist. you know it has to be done. Sometimes painful, sometimes productive. Keep it short and sweet.

Mark Vinsel: I'm in Washington in logging country. Thanks to Alison and the staff to let people be in other locations. It's not even anywhere close to being as good as sitting in the conference room at DEC. I've had some technical challenges, and it's nicer to have at least 2 people in the room. For some of the newer board members, we need to educate people about Firewise. Could be really serious. I look forward to being more a part of that. Carbon credit conversation was very interesting and I look forward to being better connected next time.

Chris Beck: Thanks to staff to pull this together. Strategic plan: how to promote forestry in Alaska. Motivation is how Alaska can have a stronger economy. Looking forward to those discussions. Beer discussion: President blaming CA for fires.

Eric Nichols: Appreciate the conversation with Earl. We all work with imperfect information. Trying to quantify things with information. Public meetings in 3 different locations, negative comments against the forest industry. We need to spend some time on disseminating information to other groups, tour operators, and how to get them information that we use and get as members of the board.

Bill Morris: Thanks for putting together the agenda and thanks to the presenters. I'm interested that we will be looking/focusing on 41.17.—coordinating from DEC, ADFG, DOF on research needs, considering them as a board. Could potentially go a long way toward issues like the Fish initiative. Glad we're going to be talking about a strategic plan.

Chris Maisch: Thank you to the Board. Many have been pulling double duty. Not being face to face as a board, but a subset of us was at lots of meetings. Really helped get the job done. It's great to have a board that's willing to engage and organize. It really showed with that group.

**Adjourned:** 4:15 pm

**Handouts**

- Agenda
- Public notice
- Draft minutes from August 8-10 Board meeting
- 17FSHB2 Fish habitat permitting initiative – Superior Court ruling and text of initiative petition
- DOF Strategic Plan for 2018-2019
- AEA wood energy projects: map & update—Devany Plentovich
- Ethics information for members of boards & commissions (AS 39.52)
- Link to Alaska Division of Forestry State Forest Action Plan: May, 2016

### Tasks for Alison

- PPT presentations online, BOF website
- Short history of the board and its major accomplishments to help orientate new members. A retrospective for 60-year anniversary of DNR, so people can see what we've done.
- Draft information for strategic plan discussion
  - Focus on statutory requirements
  - Show our "procedures" for the meetings
  - Draft plan to work with.
- Research:
  - Outline effectiveness monitoring workshops in past, make a plan for how we handle research priorities at least annually.
  - Annual report requests: challenge our sister agencies to address that in their next reports. Usually we report on the same things. In our request, we could ask them to have research needs and follow up with a discussion.
- Send to the BOF:
  - new Fire statutes and regulations
  - Roadless options as soon as it's complete.
  - Links to PPT presentations, incl. carbon
  - Jason's chart of cumulative spruce beetle data.
  - Excel spreadsheet of meeting locations
- Get UAF economic analysis of the Haines timber sale (not ISER) from Chris Maisch and send to Jerry.
- Jason: GPS data from Will Frost of Kodiak spruce beetle-kill.