

MINUTES
Board of Forestry Meeting
July 28-29, 2015
IARC Room 501, University of Alaska Fairbanks

Call to Order and Roll Call. Chris Maisch, State Forester, called the meeting to order at 8:12 a.m. Remote sites were connected by teleconference. Members Matt Cronin, Denise Herzog, Erin McLarnon, Eric Nichols, John Yarie substituting for Wayne Nicolls, Chris Stark, Mark Vinsel, Ron Wolfe. A quorum was established. Yarie is a professor of silviculture at the University of Alaska Fairbanks.

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

Approval of agenda. (*See handout*) The agenda was unanimously approved with correction of the prior meeting date.

Approval of Minutes. The Board reviewed and approved the March 23-24, 2015 minutes with minor corrections. (*See handout*) [Note: The minutes in the handout were a prior version; the corrected final version incorporating prior edits is available at: <http://forestry.alaska.gov/alaskaboardforestry.htm> .]

Announcements. The BOF field trip is approved by Society of American Foresters for Continuing Forester Education Credit. A sign-up sheet will be available at the trip.

FRPA budgets and funding. Michelle Hale, DEC Division of Water: DEC had a lean FY15 and some reductions in FY16; more cuts are expected in coming years. DEC has reduced funding for Kevin Hanley's FRPA work by half. His FRPA time is funded by Section 319 money from EPA. DEC General Fund and EPA funding has gone down. Federal 319 money funds multiple programs in DEC. Section 319 money is approximately 10% of the DEC Water Division budget (approximately \$1 million). [corrected after the meeting by Michelle Hale to \$1.8 million].

Nichols: The issue is how state government will be funded in FY16 and beyond. There will be another big reduction next year and those cuts will be even harder. Hale: DEC is looking at its practices to make sure the important work is getting done and requirements are getting met, and will then look at creative funding options such as fees for this work. DEC believes FRPA work is important for non-point source prevention, but there is no federal requirement to do this work. Wolfe: Private landowners were asked in 1990 to agree to have millions of dollars of timber confiscated by the government for FRPA buffers, and the understanding was that the agencies, including DEC, would meet their obligations.

Jackie Timothy, ADF&G Habitat Division, Southeast Regional Supervisor: Habitat Division took a large budget cut this year. The Division is holding positions vacant. The Craig office is being kept open to handle FRPA activities. Habitat considers FRPA work a priority. The

Anchorage office has used Alaska Sustainable Salmon Fund (SSSF) grants to work on Kodiak and Afognak, and some SSSF funding for work in southeast allowed the Division to do work in some areas when staff were there for other SSSF work. ADF&G has gotten maps of State Forest and Sealaska parcels and wants to model those to identify areas where anadromous habitat is most likely to occur – this will be a SSSF grant application. ADF&G is trying to use available money to get into the most important areas and will work with DOF and Sealaska to make the available money go as far as possible.

Wolfe: Would like to find out more about the SSSF project regarding anadromous habitat prediction. Timothy: ADF&G can provide maps developed for the SSSF grant application. It is harder to get SSSF funding than it used to be and that program is now funding a narrower array of projects.

Maisch, DOF: Maisch reviewed the history of FRPA funding sources for DNR (*see handout*). It would be good to have parallel information for DEC and ADF&G. Hale will get that information for DEC.

Maisch: This was a brutal session for DOF funding. DOF will collapse its two regions into a single region. Budget cuts affect both the fire and resources sides of the DOF budget. There was a 4.6% decrease in fire preparedness funding in FY16 that led to layoffs of 16 positions in McGrath. General Fund money for resource management had a 40% decrease with the following changes:

- Southeast timber staff was reduced which affects timber sale receipt funding.
- Delta Area Forester was cut and the Delta Area Office combined with the Fairbanks Area.
- Copper River Area Forester position was reduced and changed to a Fire Management Officer, and the Tok and Copper River areas were combined.
- Haines and Ketchikan area foresters were cut, a Ketchikan Forester II was cut, and the Northern and Southern Southeast areas were combined.
- Mat-Su and Kenai area Forester II positions were cut.
- Two central office admins cut.
- Eliminated 10-person intern crew.
- Cut fire training academy by half. The University of Alaska Fairbanks (UAF) is picking up some of that program through the associates degree. Remaining academy funding is going to training for three standing crews.
- Joel Nudelman will be the main FRPA position in Southeast, based in Juneau; Hans Rinke will cover Kodiak FRPA work, area offices will cover other FRPA work. The FRPA workload has also decreased dramatically.

Additional 8% cuts are expected for state budgets in FY17 and FY18. Maisch is not comfortable cutting fire staff any further. State budgets are focusing on cost containment, efficiency, and revenue generation.

DOF could only certify 33 Type II crews in Alaska this summer due to changing demographics, and had to import more fire staff from the Lower 48 and Canada. At one point there were 3,600 people working on fires in Alaska of which about 1,000 were Alaskans. It's harder to manage fires without experienced Alaskan staff and it's expensive. So far, the statewide fire season for

DOF and the federal Alaska Fire Service will cost at least \$100 million. DOF has a cost containment team looking at how fires in Southwest Alaska, Tok, and the Sockeye Fire in Mat-Su were managed from a fiscal standpoint.

DOF is only authorized to use about \$850,000 in timber sale receipts annually, although more has been collected. Receipt revenue is expected to stay stable given the available timber.

Vinsel: The fire academy was a way for Alaskans to get into fire positions, and Alaskan crews are going down. The loss of Alaskan jobs is counter to the Legislature's interest in employment. Maisch: Cutting the academy was a serious loss, but was necessary to keep other trained staff. UAF has picked up a piece of that, including a Type II crew, but not all of it. DOF can't continue to do all the work it has done in the past with over 40% cuts in the last two years.

DOF did get a supplemental budget request for \$896,000 to fund road repairs in Interior Alaska caused by the record-breaking rains last summer. The first contract for that work has just been awarded.

Options to accomplish FRPA requirements in light of budget reductions. Maisch briefly reviewed the handout on options for FRPA funding identified in 2003 and trend charts for funding and FRPA activity. (*See handout*) He noted that Sealaska's new acreage could keep their sales level, and a new large Mental Health Trust sale at Icy Bay could be an exception to the recent declines.

Nichols: There are options for revenues as well as fees. You need to look long-term at what can sustain the Division and the industry. Managing for revenue rather than in-state processing is a social decision. Industry costs continue to rise and markets change. Nichols is very concerned about recent appeals on state timber sales for the first time, and the potential to lock a sale up for a year with a single letter. Maisch: DOF is meeting with the Governor and the Tongass Advisory Committee on timber policy in the state. Nichols: The industry isn't necessarily opposed to fees, but they come out of the value of the timber, and values decrease as we move toward commodity products.

Wolfe: What would fees have to be to close the shortfall? If that's the only solution, the user fee could well exceed the value of the timber. We need a quantitative analysis in today's terms. Maisch agreed that is needed for FRPA work by all three agencies. Nichols: We need to understand fee costs on a per-MBF basis. Cronin: Is DOF trying to keep a permanent staff to do this, when the workload may change dramatically? Maisch: DOF is not planning to hire new people, but we will need funding for travel, which will vary depending on the location of the work. Cronin: Is self-certification an option? Maisch: We need to assess all options, and consider what will maintain a credible program which helps keep litigation down. Wolfe: The overarching principles are that FRPA is well-implemented, has been shown to work, and assures the public that it is working. The assurance to the public is very important. That is an issue with self-inspections.

Maisch: The Board may need to have a teleconference to discuss this as we develop more information.

Stark: Other agencies and industries do self-assessments. He would like to see a description of what that could look like. Hale: The Alaska Pollutant Discharge Elimination System (APDES) system has a large element of self-policing backed up with inspection and enforcement program. Only a portion of the facilities are inspected each year, but the combination of self-monitoring and the compliance and enforcement element is a big reason why the program is successful. Maisch: DOF will look at how other states are funding their programs, and further describe some options in cooperation with the other agencies. McLarnon: Why don't environmental groups have a role in paying for these services? Wolfe: FRPA funding is vulnerable to cuts by planning ahead for reductions. Nichols: From the industry standpoint, this won't be the only new cost – there will be additional taxes as the State tries to increase funding from all sectors. Maisch recognized that the total cost of doing business will increase. Nichols: Delays due to backups in the government due to short staffing and insufficient travel funds are also a concern. Vinsel said he sees the logic in the salmon industry paying some part of FRPA; the fishing industry already pays many various taxes, many of which come out of the commodity price. The industry is looking at it and he will note the FRPA funding question in discussion with United Fishermen of Alaska.

Legislation and regulations. SB32 -- Maisch reported that SB32, the bill to expand DOF authorities for negotiated timber sales under AS 38.05.118, will remain in play in the second year of the session. It passed the Senate and will be up next in House Resources where there is support. There have been some concerns from the Tok area.

Regulations for small negotiated sales -- Maisch: DOF would like to move forward with a proposed regulatory amendment under 11 AAC 71.045(e) to extend the duration of small negotiated sales from one year to two years (*see handout*). This change would only affect negotiated sales ≤ 500 MBF under AS 38.05.115.

The DNR Division of Mining, Land, and Water is undertaking a larger project to update the material sale regulations and separate material sales from timber sales in the 11 AAC 71 regulations. DOF has an opportunity to coordinate the change to 11 AAC 71.045(e) with this process. There were no comments on the proposal.

Southeast forest management issues

Roadless Rule update and Big Thorne litigation. Tom Lenhart, Assistant Attorney General:

- Big Thorne: Appellants have filed their brief and the federal and state agencies will file their final briefs in Sept. with 9th Circuit. The earliest possible date for oral argument would be November. The best guess on timing for an opinion would be first quarter of 2016.
- Tongass Exemption 2003 rule: This rule exempted the Tongass National Forest from Roadless Rule; it was originally revoked, then a 3-judge 9th Circuit panel reversed the decision, ruling in the State's favor. Most recently the panel decision was reviewed en banc in the 9th Circuit – we await that decision.
- Roadless Rule in D.C. District Court: We are awaiting a decision on whether there will be oral argument and hope for a District Court decision by the end of 2015. The decision will likely to go to the appellate court no matter who wins.

- State timber sales at Vallenar Bay and Baby Brown (Haines) have been appealed to the DNR Commissioner. If these issues proceed to Superior Court, a stay is not automatic. State courts are usually quicker than federal courts. The appellants asserted that the review of sale economics and environmental impacts was not comprehensive enough to be sure the sale is in the best interest of the state. Appellants include the Lynn Canal Conservation Society for the Baby Brown sale, and Greenpeace plus three others on Vallenar. It's the first time for them to challenge state sales in Southeast.

Nichols: If one letter can tie up a state timber sale for 12-18 months, it's all over. You can't have an industry that is delayed for a year while the Commissioner makes a decision. It takes away the ability for the state to offset losses of federal sales. How can we limit frivolous appeals? Lenhart: We can't change the legal process. An appeal letter to the Commissioner probably at its best runs six months, and it could be longer if they get a stay. It might be possible through legislation to require a bond for appeals, but we can't limit the right to appeals. Maisch: DOF hasn't had a challenge like this in about 10 years. Part of the job is educating the Commissioner's Office and Attorney General's Office on the state standards for appeals. The timber sale requirements are different than those for other state resources.

Nichols: Why are the Big Thorne appeals continuing? Lenhart: The first year of harvest is going to go forward. The decision to deny an injunction was a strong decision from the 9th Circuit motion judgment panel, which is a different group than those that will hear the merits of the case.

Stark: How much will the appeals of state sales affect the timber sale receipts that DOF relies on? Maisch: two-thirds of the receipts are generated out of Southeast, and the appealed sales are a big part of the Southeast volume coming up. We need to get some of these cases in court, win, and assess costs to the appellants. Lenhart: If we get solid decisions from the Commissioner and Department of Law on these first two appeals, we will be able to trim the time on future appeals, and still have solid cases that help prevent injunctions. At the State level, the loser typically pays 20% of the cost of the legal work for the winning side.

Wolfe: Is there an option to use the state administrative hearing process? Lenhart: The timber sale appeal this process doesn't go there under the current laws. There may not be an advantage to that route and it would take a statutory change.

Tongass plan advisory committee (TAC) and plan amendment process. Nichols: The TAC reached consensus, so its recommendation will be one of the proposals in the public review document. The TAC still needs to resolve an issue on volumes. There has been some progress on a process for implementation and monitoring. Maisch: The US Forest Service (USFS) has committed about \$4 million through its State and Private Forestry Program to DOF to start the inventory work this season. Some of the recently laid-off DOF staff will be hired to help with the project. Nichols: The conservation groups want to see the end of old-growth harvesting, but the industry can't agree to that until they know what the USFS has for young growth and how it can be managed intensively. The USFS doesn't yet understand that intensive, active management will be required to allow industry survival on the small timber base of young growth. Wolfe: There is a lot of site variability within the young-growth base, and it takes

detailed data to understand the actual timber base. Nichols: The inventory funding needs to be focused on the older young-growth stands. The USFS modeling for young-growth is unproven. Maisch: Additional funding may be needed – DOF estimates it would cost \$5-6 million to fully inventory the timber base.

The Working Forest Group (TWFG) update. Clare Doig, TWFG president: The TWFG mission is to educate Alaskans and promote active forest management. McLarnon is the interim executive director. TWFG is working to support the TAC, it generated letters and testimony in support of SB32, and it testified in support of funding for DOF in Southeast. Under a Challenge Cost-Share grant from the USFS, TWFG is working on an industry re-tooling report, and is awaiting USFS feedback on the draft. The Group is also refining a growth and yield model, submitted editorial on Big Thorne to 30 newspapers, did a presentation to the statewide Forest Stewardship Committee meeting, and is looking at a project for interpretive signs at forest facilities. TWFG is working to grow its organization.

Mental Health Trust (MHT) exchange update. Clarence Clark, DOF: (*See handout*) USFS and MHT signed an agreement to initiate the land exchange process. There are 64 steps in the process and this is an important one. It is non-binding, but spells out the properties involved, including the Mitkof Island lands where there were public concerns about landslides. It has taken seven years to get here. The parties met last week to develop a Memorandum of Understanding (MOU) on how to work together during the National Environmental Policy Act (NEPA) process. MHT expect it will take 3-5 years to finish the exchange. It will cost millions of dollars to complete the surveys and NEPA process; the MHT will bear the costs.

SE Regional forest infrastructure. Clarence Clark, DOF: Infrastructure includes log transfer facilities (LTFs), sort yards, rafting grounds, ship moorage systems, and roads. DOF has laid out 50-mile radius working circles around five communities in Southeast; beyond that transportation costs get too expensive. The working circles are centered in areas with multiple forest landowners around Hoonah, Kake, Wrangell, Klawock, and Ketchikan. The five circles cover about 95% of the land in Southeast. The goal is to put infrastructure in place that will be continuously available to all landowners. Revilla Island has 11 separate road systems with separate LTFs. Another 52 miles of road would connect them all, creating a system of 500 miles that could use a single transfer facility. That could reduce harvesting costs by >\$100/MBF by reducing camps, storage, and permitting. The Shelter Cove Road could be built except for 1-2 miles on USFS land that still needs authorization. Other links are permitted already. In 2012, the State capital budget included \$87.5 million for infrastructure in Southeast AK, including the Shelter Cove Road on Revilla Island.

The initial MOU between the USFS and State to cooperate on timber sales was signed in 2006. The USFS has received state tideland leases for all 70 facilities for which they've requested authorization. The State developed a General Permit for short-term barge use for forestry purposes. Forest Service sales usually last 3-5 years; if an operator has to apply for all permits after obtaining the sale, the purchaser can lose half of the authorized operating period.

Eighty percent of the USFS Tongass timber volume in proposed sales depends on five transport sites. DOF has applied for authorizations for a Shelter Cove transfer site that could serve all of

the Revilla sales. DOF is working with MHT and UAF to coordinate infrastructure needs and authorizations that allow use with no use fees. There is now a signed Statement of Intent and it has already been used at Edna Bay and near the Salcha River. You could double to triple the volume that the USFS could offer in sales with positive returns by using the working circle concept and coordinating infrastructure. A new Challenge Cost Share agreement between the USFS and State will fund the state to develop needed infrastructure.

Cronin: Could the working circle sites also provide access for mining and other resources?

Clark: The roads and other infrastructure could be available for other resources as well, and reduce impacts on marine resources by consolidating sites.

DOF Southeast road projects. Ed Soto, DOF: (*See handout*) Projects in process include the Gravina Island road to Vallenar and the Hollis Ferry Road in Southeast. In the Tanana Valley, design is underway for bridge replacement at Cache Creek and Fortune Creek, and Tanana Valley State Forest emergency road repair work is underway. The Cache Creek Road maintenance contract awarded and the Standard Creek design is now complete. DOF is working on right-of-way clearing in the Tok Triangle with DMLW; it will provide a fuel break and biomass for the community. DOF submitted a grant application to the Alaska Sustainable Salmon Fund for Kenai culvert enhancement and road closure work in Tyonek. DOF is also working on design and construction for six DOF facility projects across the state.

Nichols: The USFS is not doing full design on all their logging roads, and they allow contractors leeway to build the road. When public roads are built the design and construction costs are unnecessarily high. Soto: Project design costs are usually about 10% of construction costs, and the DOF office is keeping design costs below that percentage even on public roads on public lands.

Endangered Species Act (ESA) petition and Alaska yellow-cedar. Moira Ingle, ADF&G: Yellow-cedar decline is primarily on low-elevation sites with poor drainage, and a southern aspect; other sites show little mortality. Decline started in the 1880s, peaked in the 1970s-80s, and stabilized by 2000. The current hypothesis is that lower snow levels and warmer winters have led to cold injury on fine roots in the spring when they de-harden too early.

The USFWS issued a 90-day finding that further review is warranted, beginning with a year-long status review, followed by a proposed decision based solely on the biological factors. A final decision will be issued a year later following public review. The State commented before the 90-day finding and then submitted official comments on June 9 (*see handout*). The State comments conclude that listing is not warranted. ADF&G worked with DOF on the State input. The petition states that decline is due to past climate change, overstates the impacts on deer browse, and overstates the impacts to the forest – decline is patchy and only occurs on some sites. Yellow-cedar is genetically variable and occurs across a wide geographic range. Rather than listing the species, USFWS should recognize that it is maladapted in a portion of its range, and should consider harvesting of standing dead trees.

Cronin: If plants could be listed under the ESA, then they could be categorized as wildlife, and thus under state jurisdiction, so one could argue that the State should be able to manage trees on the Tongass just as it manages wildlife.

Wolfe: Over the extent of its range, the portion of the yellow-cedar population that is declining is a small portion of the total population. Ingle: Areas of decline are evident, but there is much more yellow-cedar left across its range. Vinsel: The species' decay-resistance is part of what makes areas of decline evident because the trees remain standing for a long time after they die.

Juday – what research gaps remain? Ingle: There is a current hypothesis, but questions remain, e.g., why is it not declining on other aspects? If stands decline from the center out, why don't the openings collect more snow and decrease subsequent damage?

Drew Crane, USFWS: If yellow-cedar or wolves are listed under ESA, prohibitions on takings apply. Wolves would be protected on federal and private land. For plants, "taking" only applies on federal land. If there is no federal nexus on private land, they could harvest it, but couldn't ship it for interstate or foreign commerce. That would apply to both live and dead trees. If there is a federal nexus, the federal agency would have to go through a Section 7 assessment that their action would not adversely impact the species. Owners could apply for an incidental take permit under Section 10 for wolves; that would not be required for plants, including AYC.

USFWS doesn't consider captive or propagated populations regarding listing, just populations in the wild. They would consider all populations in considering management options. Vinsel: Planted yellow-cedar has the ability to spread seeds to the wild.

Nichols: Does the USFWS consider that a tree could be planted for each one harvested? Have other commercial timber species been considered for listing? It's already affecting yellow-cedar markets. Crane: Don't know; not aware of other commercial trees being listed. Maisch: Could an existing inventory of already-harvested yellow-cedar be used without a violation? Crane: USFWS can issue a "4d rule" which calls out exemptions. Under current rules, already harvested trees would be subject to the ruling.

Wolfe: The industry is concerned -- even the threat of a listing creates fear. It also raises concerns for the Native corporations: it erodes the ability of corporations to raise funds for their shareholders under the Alaska Native Claims Settlement Act (ANCSA). How does listing affect the rights of indigenous people under ANCSA? Crane: Section 10e deals with subsistence uses. Wolfe: Commercial harvest on Native land isn't subsistence. Crane: Would commercial timber harvest be exempted similar to craft use of ivory?

Cronin requested information on what a federal nexus is, and how it will apply to non-federal land. Crane: Federal nexus is a federal action funded or carried out by a federal agency, including federal permits. Cronin asked for more information in writing. Crane asked for the request in writing and agreed to provide the information. He will also provide information on how ESA applies to animals and plants. Wolfe wants a follow-up at the next BOF meeting; there is great reason for concern. Maisch: Listing would be difficult for commercial harvesting.

Wolfe thanked Ingle for a fine job on the State comments. He wants the state Attorney General's Office (AGO) to hear the concerns about these potential listings – they need to be proactive.

Ingle: ADF&G works closely with Brad Meyen in the AGO, the State attorney on ESA issues.

Nichols: After much harvesting of yellow-cedar, he has found that there is always defect in trees on wet soils. Those trees are under stress. Ingle: There are also questions about reproduction of yellow-cedar.

Public comment

Glen Holt, UAF-Cooperative Extension: The combination of the School of Natural Resources with Cooperative Extension is proceeding. Holt works in the Interior with the timber industry, landowners, and people interested in biomass, Ruffed Grouse Society, and other stakeholders to share information on why forestry is important. He provides workshops on wildfire defensible space, including use of chain saws. Cooperative Extension has an electronic newsletter twice a year. Holt was pleased to hear about TWFG, and is very interested in the Southeast work on infrastructure and the TAC. Currently, he is the only cooperative extension forester in the state.

Southeast State Forest (SESF) Management Plan. Jim Schwarber, DOF: Public review ran March 9 to April 30. DOF received 26 written comments and held community meetings in Ketchikan, Petersburg, Wrangell, Coffman Cove, and Edna Bay – 45 attended and 15 testified. Themes included:

- Support for the plan from timber industry supporters; opposition from those opposing timber harvesting;
- Support for local harvesting, but not big-scale export; and
- Growing support for using forests for a range of interests.

SESF lands are small parcels with legislation stating that timber management is the primary purpose. Given the statutory intent, DOF doesn't expect big changes in the draft plan as a result of comments. DOF is working on changes needed and will then put out a final plan for signature by the Commissioner. After signature, there is a 20-day period for commenters to request reconsideration; the Commissioner has 30 days to decide whether to address a request. If the plan is upheld, appellants can go to Superior Court.

Cronin: Is there a real dichotomy between the small/local operations and larger export operations? Schwarber: Much of it is based on scale. People want DOF to consider the range of opportunities for timber users. The plan needs to be flexible to accommodate evolving needs. Edna Bay wants to get the benefits of timber in a steady stream, not in a boom and bust cycle with long intervals between harvests. Clark: Landowners do try to coordinate sales. For example, the Edna Bay area has state, Sealaska, USFS, UA, and MHT land. There is a current UA sale, and a state sale is in development. Edna Bay asked whether a state sale could cover the whole state forest area over a period of 25 years, with similar strategies for other owners. It could create 10-12 long-term jobs in Edna Bay if sales could be coordinated. There may also be opportunities to provide wood chips for heating in Edna Bay. Different communities in SE have different visions of what a long-term sustainable industry would look like.

Stark: Do long-term timber sales tie up resources? Clark: The State would have to reappraise wood value under long-term contracts every five years, including consideration of the markets. Nichols: The industry needs long-term timber supplies to update equipment and keep qualified people. There is less harvest activity today and less opportunity to shift operations among a smaller pool of forest owners who are offering sales.

Maisch noted that there are people like Schwarber who also work in the fire program, and loss of resource positions also affect the fire program.

DOF Coastal Region update. Rick Jandreau, DOF Acting Coastal Region Forester: The FY16 budget cut five of the eleven forester positions in the Coastal Region, and reduced the work-months for the Haines resource forester. All of those positions were filled when cut. The Coastal Region Forester position was cut to two months. DOF expects negative impacts on services over time. The Region is still doing FRPA implementation work and producing timber sales in the short term, including some large southeast sales. Nichols: Will there still be a push to get out timber to the allowable cut level, or will DOF wait for the outcome of the appeals? Jandreau: DOF is continuing to move forward on putting up sales. DOF is using the remaining CIP funds to do layout. Costs have gone up because more travel is needed. Maisch: Division-wide, 23 filled positions were cut.

Alaska Sustainable Salmon Fund (AKSSF). Peter Bangs, ADF&G: AKSSF is part of the Pacific Coastal Salmon Recovery Fund which was established in 2000. Alaska has received \$217 million under this program. The program now has less discretion in how the funds are used. Congress listed authorized uses in FFY10, and added a non-federal match requirement in FFY08. The federal Office of Management and Budget (OMB) and National Oceanic and Atmospheric Administration (NOAA) are setting priorities on habitat restoration and recovery of ESA-listed salmon populations, and now award funds on a competitive basis. There is increasing competition for federal funds, and OMB is looking for projects with measurable results. Funding to Alaska has declined from \$26 million to about \$4 million/year while demand for AKSSF funding has expanded greatly as other funding sources have dried up.

For allocation of AKSSF funding to projects, the state sets its objectives through regional and expert panels subject to the congressionally authorized uses (subsistence and habitat protection and restoration), NOAA priorities, and OMB guidance. Alaska has cut back on items that are discouraged by the federal agencies, including monitoring.

The state objectives include three for habitat protection, (water reservation, nominations to the anadromous waters catalog, and protection activities); three for restoration (restoring fish passage, eliminate invasive species, restore habitat); and three for subsistence monitoring. Secondary objectives such as planning and surveys are allowed as part of a bigger project. Applicants must provide the 35% non-federal match requirement.

Stark: What's the likelihood of some AKSSF funding being available for work by other agencies? Bangs: At www.akssf.org there is a database of current projects that lists the organizations that have received funds. They range from the Alaska Railroad to the Kenai Watershed Forum, Copper River Watershed Project, etc. Teams of independent reviewers who

are not affiliated with any of the proposals score the proposals based on the State criteria. ADF&G has gotten a lot of this money, but they have to go through the same process.

Maisch: What are the reporting requirements and is there national roll-up? Bangs: Reports with metrics are required for every project (e.g., miles of habitat restored), and they are rolled up. He can send links to state and national websites.

Wolfe: There is a home-court advantage in the AKSSF that works against Native Corporations even though they are adept at meeting reporting requirements for other programs. The auditing requirements are onerous for individual projects. Bangs: The state also goes through an extensive auditing process. The requirements are new federal mandates. ADF&G flew up a federal grants expert to work with clients. If any one of a group of cooperators doesn't pass the requirements, the whole proposal gets rejected. Wolfe: There's room for improvement that could keep the program open to other entities that could provide non-federal match. Bangs: ADF&G recognizes that the requirements are onerous. Maisch: There are similar requirements for other federal programs, and they aren't under the State's control.

Wood Energy project updates. Devany Plentovich, Alaska Energy Authority: Five biomass projects were funded in Round 8 of Renewable Energy Fund grants to the Tlingit-Haida Regional Housing Authority, Southeast Island School District (SEISD), Hoonah Indian Association., Hydaburg City School District, and Native Village of Tazlina. The biomass projects totaled \$2 million out of \$11 million total grants.

The Round 9 request for applications is out with a new format. Proposals are due Sept. 15, 2015. The amount of available funding isn't known yet.

Five pre-feasibility studies for 2015 Statements of Interest are underway in Talkeetna, Rampart, Kodiak, Ouzinkie, and Cordova, and AEA is accepting Statements of Interest for 2016 studies.

AEA conducted an April training in Tanana for 17 wood energy operators from nine Interior villages. Participants did needed work on the units under the tutelage of the Garn makers. There was a great response from participants – they now know how to operate, troubleshoot, and maintain the boilers. Thanks to many organizations for their support.

AEA is creating a Community Sustainability Handbook on how to integrate biomass heating with in-school greenhouses.

Newly operational wood energy projects include the Craig fuel dryer. Chips were previously wet which reduced available heat and corroded the boiler. Viking Lumber also bought machinery to produce compressed briquettes. Other new operations include the Hughes cordwood system, Kobuk water treatment plan, and Kasaan School. All SEISD schools now have biomass heating systems and greenhouses. Greenhouses currently depend on grant funds. There are now 32 biomass installations statewide.

Near-term priorities include an Alaska-specific community biomass handbook, case studies of operating systems and lessons learned, Fairbanks Project development, formal fuel supply and

harvest equipment grant requirements, and a decision-maker tour for entities considering a biomass facility. The tour will visit cordwood, chip, and pellet systems;

Yarie: What is the connection between biomass projects and forest management? Plentovich: The Tok and Delta projects were started because of need to do wildfire mitigation. There's also interest in Southeast for a market from thinnings. Maisch: Many of the entities applying for biomass projects also do Forest Stewardship plans, including an assessment of sustainability.

Boreal forest management and research

Region II-III Reforestation standards review. Marty Freeman, DOF, reviewed the rules for FRPA applicability in Regions II and III, the scale of harvesting and reforestation exemptions since 1991, natural stocking levels and stocking standards, and work to date on consensus recommendations (*see handout*).

- Since 1991, harvesting in Region II has been more extensive than in Region III, largely due to salvage harvests related to the spruce bark beetle epidemic in the Kenai and Copper River areas. About 70% of the beetle-related harvests on the Kenai were exempted from the reforestation standards, along with about 30% of the Copper River harvests.
- Harvest levels in Regions II and III have been primarily on private land except in the Fairbanks and Delta areas
- Harvest levels in Regions II and III are far below levels in southern southeast. Even at the peak of beetle-related harvests, Kenai harvesting was only about 1/3 of the average for the same period in southern southeast.
- Stocking levels for sawtimber trees in existing stands are typically below the stocking standard, but existing stands generally meet stocking standards with a mix of saplings, poletimber, and sawtimber trees.
- Draft consensus points are still under discussion. So far, the S&TC has focused on stocking standards and natural and artificial regeneration. The S&TC is developing a set of indicators to help identify where natural regeneration is likely to be successful. Where success is likely, the committee is considering recommending a longer period for natural regeneration, with a check-in report after five years.

Nichols: What happens after twelve years if sites don't regenerate? Freeman: First, we try to reduce the likelihood of failure with the indicators and a 5-year check. Ultimately, the landowner is still responsible for meeting regeneration requirements.

Nichols: In Southeast, foresters are trying to minimize exposure of mineral soil. Freeman: The situation is different in Region I; summer harvesting is often used to achieve scarification.

Nichols: What about direct seeding? Freeman: That is an option for artificial regeneration, but it is not used as often as planting.

Yarie: Reforestation results depend greatly on landowner objectives. Planted seedlings will grow much faster than naturals for white spruce.

Nichols: What was the origin of natural white spruce stands that exist today? Yarie: They are probably fire origin, but we don't know the whole sequence – they could have started as aspen-birch stands 200 years ago, and the hardwoods later died out. Juday: Floodplains hardly ever burn, but flooding provides mineral soil for regeneration. We can date hardwood stands back to the 1880s.

Wolfe: There was some mechanical planting on the Kenai, but residual material was a challenge. The reforestation exemption may have contributed to its demise.

BAKLAP update. Glenn Juday provided an overview of BAKLAP work to date:

- BAKLAP theses are close to completion (Allaby, Morimoto, and Sousa).
- The Grand River Transect along the Yukon, Kuskokwim, and Tanana rivers is in publication. Some white spruce respond positively to increases in temperature, and some respond negatively, particularly in western Alaska. Precipitation plays a supplemental role in explaining growth rates.
- A phenology of white spruce growth study is underway, focusing on height growth. Elongation tracks growing degree days, and then falls off as soil moisture is used up, but can be boosted again with subsequent rainfall. On a given site, it should be possible to predict height growth from weather data; growth would vary from site to site.
- Peak positive temperature deviations from the 100-year average coincide with Spruce budworm outbreaks. 2015 was warm and there is potential for a 2016 outbreak.
- NASA is conducting a pilot project using lidar to provide Forest Inventory Analysis (FIA) information for interior Alaska, including tree heights. Juday proposes a collaborative project to calibrate the data they collect.
- Juday is participating in a study on forest resistance to climate change.

Harvest, site prep, and reforestation results in the TVSE. Miho Morimoto, UAF: The study covers results after spruce harvesting. Harvesting increased after the Rosie Creek fire, and then decreased in the last decade. Historically, spruce sawlog harvesting dominated the activity. White spruce forests regenerated into birch-dominated stands. All units exceeded the reforestation standards except for very young stands, but 20% of the plots didn't meet the standard -- there isn't uniform distribution of regeneration. Large white spruce seed years affected the amount of spruce regeneration. Site preparation and clearcutting, but not spruce planting, resulted in more total tree basal area and denser tree regeneration. Planted white spruce are larger than naturally-regenerated white spruce. Naturally-regenerated spruce are smaller in planted units than in naturally-regenerated units. Planted seedlings suppress the growth of naturally regenerated seedlings. Stem density increased after the DOF regeneration surveys that were conducted within seven years of harvest for both total stems and stems >2.5 cm dbh – seven years may be too early to assess adequacy of regeneration. Site preparation increased grass cover, but tree regeneration was successful in scarified units. *Calamagrostis* may be a problem after birch harvest.

The best approaches for reforestation depend on the owner's goals and the availability of seed by species: clearcutting with natural regeneration works well for biomass; clearcutting with planting works best for white spruce either with or without scarification. With climate change,

probability of white spruce presence in harvested sites increases somewhat with scarification. Spruce probability decreases with increased warming.

Juday: It is very hard to detect spruce seedlings earlier than 3-5 years after harvesting.

Cronin: Would it be useful to assess the adaptability of spruce to warming by looking at spruce from warmer climates, like the Rockies? Juday: There isn't a genetic difference between positive and negative responders to temperature – they are the same trees rooted in sites that expose them to more and less temperature stress.

DOF Northern Region update. Tim Dabney, DOF, Northern Region Forester: DOF has combined the Delta and Fairbanks areas (Paul Maki is acting area forester), and the Tok and Copper River Areas (Jeff Hermanns is area forester). What used to be the Large Project Team now works for the Fairbanks-Delta area predominantly supporting work in that area. Jim Eleazer now supervises the GIS staff and forest planner.

The Fairbanks timber sale auction sold three sales for 310 acres at the minimum bid; three didn't sell. DOF is working on draft sales for biomass for Superior Pellets under the AS 38.05.123 statute for value-added sales. Delta area sales will be offered in the fall. DOF has identified three potential timber sales on UA lands in the Fairbanks area. DOF will do the FIA pilot project for the USFS in the Interior. There is potential for this program to continue in future years. DOF is proceeding with road maintenance projects with funds from the supplemental budget. The state is the main forest owner in the Interior. Young's Timber Inc. has begun milling house logs and tongue-and-groove wood, and plans to install a pellet and pressed-wood mill. Dry Creek [Logging & Milling Associates] is continuing salvage of wind-thrown trees. Dabney served as hearing officer on a FRPA violation. DOF and the landowner reached agreement on the fine, which was affirmed by the hearing officer.

Approximately 4.7 million acres has burned in 727 fires so far this year statewide – the 3rd biggest area on record. There were eight Type II teams in the northern region over the past few weeks. Loggers have vehicles that can be used on fires as well, and have contributed to the fire effort – it's another funding source for them.

Wrap-up

Next meeting: **November 12-13**, location: **Anchorage or teleconference**. The Board may also schedule an interim teleconference specifically on FRPA funding.

- ESA issues
- Sustainability certification
- Wetlands mitigation
- Milan Shipka -- new Director of UAF Agriculture and Forestry Experiment Station -- introduction and discussion on how the Station can continue its cooperation with DOF
- Budgets
- Legislation and regulations re negotiated sales; 2016 proposals
- Region II-III review report
- SE forest management issues
- Wood energy

- TAC report on draft land management
- DPOs overview – process and contents
- FRPA training

Eleazer

- Adjourned: 5:15 pm

Reforestation Forum. In the evening, the Board heard four presentations on reforestation history and influences on reforestation success. Copies of the presentations by Doug Hanson, DOF, Tom Paragi, ADF&G, and Amanda Robertson, USFWS and the information from Nancy Fresco presented by Robertson are available at the S&TC Reforestation page on the Division of Forestry website at: <http://forestry.alaska.gov/forestpractices.htm#reforestation> in the section on “PowerPoint presentations to the Science & Technical Committee.” For a copy of the information presented by Andrew Allaby, UAF, please contact the Allaby at aallaby@gmail.com

Board comments. Board members made their final comments at the end of the field trip.

- Wolfe: FRPA was developed by consensus, and there was an effort to keep it simple. The Act has been successful. We need to recognize budget restrictions regarding implementation and reforestation. It will be harder not to have a “one size fits all system” for reforestation, and we will need to work with the public to understand the recommendations for increased flexibility in the standards.
- Herzog: We will need to think out changes to the standards carefully.
- Vinsel: Appreciated the field trip and was impressed with the regrowth progress at different ages and treatments..
- Stark: It may not be hard to convince the environmental side on the recommended changes.
- Nichols: We are all guilty of living in the past – markets, people, and the environment are all changing. We have to look at the Act again. Land is used by the public for wood and wildlife. We need to consider economic sustainability.
- Cronin: DOF does a good job. The layoffs at DOF are difficult. ESA is a serious issue.
- Yarie: We need to pay more attention to adaptive management scenarios.

Attendees

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| ● Peter Bangs, ADF&G, speaker (teleconf.) | ● Paul Maki, DOF |
| ● Joshua Banks, Rep. Talerico | ● Joel Nudelman, DOF (teleconf.) |
| ● Amanda Byrd, AWEDTG | ● Ed Packee, Young’s Timber Inc. |
| ● Clarence Clark, speaker, DOF | ● Devany Plentovich, AEA, speaker (teleconf.) |
| ● Drew Crane, USFWS, speaker (teleconf.) | ● Fred Schlutt, UAF-SNRE |
| ● Tim Dabney, DOF | ● Jim Schwarber, DOF, speaker |
| ● Clare Doig, speaker (teleconf.) | ● Mike Smith, office of Sen. Bishop |
| ● Marty Freeman, DOF, speaker | ● Nancy Sonafrank, DEC |
| ● Michelle Hale, DEC, speaker (teleconf.) | ● Jackie Timothy, ADF&G (teleconf.) |
| ● Kevin Hanley, DEC (teleconf.) | ● Ed Soto, DOF |
| ● Doug Hanson, DOF | ● Frank Woods, BBNA (teleconf.) |
| ● Glen Holt, commenter, Coop Extension | ● Joe Young, Young’s Timber Inc. |
| ● Moira Ingle, speaker, ADF&G | |
| ● Glenn Juday, speaker, UAF | |
| ● Tom Lenhart, AGO, speaker (teleconf.) | |

Handouts

- Agenda
- Public notice
- Draft minutes March 23-24 Board of Forestry meeting
- Forest Fisheries Forum Notes – March 23, 2015
- Proposed Amendment of 11 AAC 71.045(e) extending duration of small negotiated timber sales under AS 38.05.115
- DNR Division of Forestry Forest Practices Act funding – February 14, 2003
- Charts of trends in FRPA funding
- Charts of trends in FRPA activity
- News release from USDA Tongass National Forest: Agreement provides road map for land exchange. July 10, 2015
- Letter from Bruce Dale, Acting Director, ADF&G Wildlife Conservation Div. to US Fish & Wildlife Service re: 90-day finding, petition to list yellow-cedar under the Endangered Species Act; FWS-R7-ES-2015-0025
- Protecting endangered species habitat on private land – A position statement of the Society of American Foresters
- Logging on private land and the Endangered Species Act. Jessica K. Farrell, GP/Solo Law Trends & News. Late fall 2007 3(2) 3 pp.
- Potential impacts on private landowners and land users from the eastern diamondback rattlesnake's listing as a threatened species under the Endangered Species Act. Alan Lovett and Jim Noles.
- Endangered species and timber harvesting: The case of red-cockaded woodpeckers. Daowei Zhang. Jan. 2004. *Economic Inquiry* 42(1):150-165
- Mexican wolves are a valid subspecies and an appropriate conservation target. R.J. Fredrickson, P.W. Hedrick, R.K. Wayne, B.M. vonHoldt, and M.K. Phillips. *J. Heredity* 2015: 515-416.
- Wolf subspecies: Reply to Weckworth et al. and Fredrickson et al. M.A. Cronin, A. Canovas, D.L. Bannasch, A.M. Oberbauer, and J.F. Medrano. *J. Heredity* 2015: 417-419.
- Reforestation S&TC minutes #6, April 20, 2015
- Reforestation S&TC minutes #7, May 6, 2015
- Reforestation S&TC draft consensus points
- (Powerpoint) Region II-III S&TC: Applicability, scale of harvesting, stocking levels, draft consensus points. July 28, 2015
- Letter from Mark Myers, DNR Commissioner to Tom Loushin, Pres. A-1 Timber Consultants, Inc. July 14, 2015.
- Roads-Infrastructure-Bridges Section (RIBS) update (PPT)