

MINUTES
Board of Forestry Meeting
August 13-15, 2014
Kodiak

Wednesday, August 13, 2014

Call to Order and Roll Call. Chris Maisch, State Forester, called the meeting to order at 1:05 p.m. The Anchorage, Fairbanks, and Juneau teleconference sites were connected. All members were present: Matt Cronin, Denise Herzog, Erin McLarnon, Eric Nichols, Wayne Nicolls, Chris Stark, Mark Vinsel, and Ron Wolfe. A quorum was established. Nicolls and McLarnon were appointed for another term on the Board. Herzog is a new appointee in the Mining Organization seat; she is a geological engineer and environmental manager for Tower Hill Mines.

Approval of agenda. (*See handout*) The agenda was unanimously approved.

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 Minutes. The Board reviewed and unanimously approved the March 19-20, 2014 minutes with minor corrections. (*See handout*)

Announcements.

- The Board recognized Jeff Foley for his six years of service.
- Tim Dabney is the new Northern Region Forester for the Division of Forestry (DOF).
- The current Alaska Business Monthly has two articles about timber.
- The American Fisheries Society annual conference will include a session on forestry and fisheries in October 2014 (*see handout*).
- McLarnon is doing work for the Tongass Working Forest Group; she will recuse herself if there is any conflict.

FRPA budgets and funding. Randy Bates, Alaska Department of Fish and Game (ADF&G) Habitat Division, reported that the ADF&G FY15 budget was reduced by \$1.5 million, however the Habitat Division funding was not reduced. The Division priorities continue to be fish habitat permitting, the Anadromous Waters Catalog, special area permits, pre-project work, and forest Resources & Practices Act implementation. ADF&G is committed to implementing FRPA statewide. The ADF&G chinook initiative does not involve the Habitat Division. Maisch noted that a \$20,000 Reimbursable Services Agreement is in place from DOF for ADF&G help addressing fish habitat issues during timber sale planning; about \$12,000 remains for use in FY15.

Maisch showed a chart tracking FRPA funding for the Division of Forestry from FY94-15, adjusted for inflation. In FY15, all funding is General Fund money; federal funding dried up by FY12. Total current value is half of the original funding level, but the workload is also down, and current funding is sufficient for FRPA work. DOF did not submit any CIP or increment operating requests for FY16.

Road condition survey work has been funded primarily by Pacific Coastal Salmon Recovery Funding (PCSRF), with a one-third match from General Fund money for Joel Nudelman's participation. Compliance monitoring is part of standard FRPA inspections. Nichols asked how the funding trend compares to harvest levels. Freeman recommended looking at the charts in the DOF annual report from March 2014 for trends in the number and acreage of new DPOs – both have declined. Nichols noted that with a flat budget, funding sufficiency declines as salaries increase. Maisch concurred, but said that

recent rates of turnover and new hires at lower levels offset some of that need within the Forest Practices program. DOF did lose some resource forester positions, including the Delta Area resource forester, which did reduce the Division's capability for timber management on state land.

Kevin Hanley, Department of Environmental Conservation (DEC) Division of Water said the Section 319 federal grant funding increased some, mostly for impaired waterbodies. The funding is not sufficient to help support FRPA. Hanley's position is fully funded with sufficient travel to continue to participate in high priority inspections, particularly in the Kodiak-Afognak area.

Legislation. Maisch – the effort to establish a Susitna State Forest in the 2014 session was not successful. House and Senate committees held hearings but there was no floor vote. Opposition initially came from local government concerns about needs for future community expansion land. DNR stripped some land east of the Parks Highway from the proposal in response to the concerns. The dropped parcels remain classified for Forestry, but are subject to future planning changes. After the changes, the City of Houston and Mat-Su Borough supported the bill. The Alaska Outdoor Council remained concerned that the State Forest wasn't big enough. They wanted to add all land classified for Wildlife Habitat due to concerns about rapid development and loss of land for public use. DOF doesn't plan to reintroduce the proposal unless there is a local legislative champion. The Division will proceed with recommendations for State Forests in other areas. Administration proposals for the 2015 session are still in deliberative process, but are in line with the Alaska Timber Jobs Task Force recommendations for State Forests in the Copper River area, and expansions of the Tanana Valley State Forest following the area plan updates. Southeast State Forest (SESF) expansion is also under discussion. DNR is likely to focus on one area at a time for new State Forests. Legislation will also consider changes in the legislature following elections.

Maisch noted that it is good to have a new or recently updated area plan as the basis for State Forest proposals. The Copper River Basin Area Plan is older, which presents some challenges, but there have been few changes in the area. The Tanana area plans have been recently updated. In Southeast Alaska, the issues are the land base -- the state land base is limited, and it will be difficult to add more land because of competing uses on lands outside the existing State Forest. Discussions are underway within DNR and the Administration.

Nichols asked whether the state can do anything to pull together information on species manipulation, genetics, and the economics of more intensive silviculture in Southeast in the interest of shortening the rotation age and living within a more limited land base. This is timely as budgets come up. Maisch concurred, but noted that the state has no research budget outside the University. The Rainforest Center in Southeast may be an option. The University has potential if there is additional funding. Maisch and Nichols agreed that a literature review and review of past planting results would be the first step. Maisch suggested that this work would be a mid- to long-term project, after we get through the short-term issues. Wolfe suggested researching species composition questions as well – e.g., there is more western hemlock than desired in the coastal fringe. Sealaska is working to increase the proportion of Sitka spruce, and there is potential for that to be economically viable. Sealaska is also looking at cedar regeneration, and how to maintain it in a young-growth forest. Maisch agreed that the challenge is how to make a transition to young-growth work. Nichols commented that the University of Alaska isn't strong in forestry in Southeast. Maisch suggested considering other universities.

Vinsel asked whether provisions for streamlining land exchanges could be added legislatively. There is support for some exchanges. Maisch agreed that it is currently difficult to do exchanges due to time frame limits. Paul Slenkamp, Mental Health Trust Land Office said that there is discussion within the Administration about a bill to address these challenges.

Nichols asked about potential for harvest on Settlement lands in the near term if they will be sold in the long-term. Maisch said that DNR is discussing that topic for Southeast lands. It depends in part on the

amount of timber that could be made available. DOF is evaluating what the state can do to increase state sales in the short-term, mid-term, and long-term from any surplus allowable cut to offset the continued scarcity of timber from the Tongass National Forest. The industry is in dire straits in Southeast Alaska. DOF will clarify what the state can and can't do, and share plans with the Board

Wolfe asked about the status of the idea for SESF expansion from Tongass National Forest land. Maisch said that the state is pursuing it, but it would require federal legislation for an increased or altered entitlement. Nichols noted that a land exchange is not within the guidelines the Tongass Advisory Committee (TAC) was given. Maisch agreed that it would have to be a state initiative. DNR will work on both tracks, within the TAC and through other avenues. There is no interest from the federal agencies in allowing states to manage federal lands, except for Good Neighbor provisions under the Farm Bill, and those still doesn't set aside National Environmental Policy Act (NEPA) provisions.

Stark asked whether there are legislative issues regarding changes to forest species composition. Maisch stated that there are no state laws preventing species manipulation.

Region II-III Reforestation standards review. Marty Freeman, DOF co-chair of the Science & Technical Committee (S&TC), reported that the reforestation review is underway. The S&TC convened on April 29, with a second meeting on July 21. Jim Durst, ADF&G is co-chair. The co-chairs keep interested parties informed by sending copies of S&TC minutes to a mail list of over 350 agencies, organizations, Native corporations, businesses, local governments, individuals, and the Board. All meetings are open to the public. There is broad interest in this topic from scientists, landowners, and the general public, and from forestry colleagues in Yukon.

The initial emphasis for the S&TC is on compiling and synthesizing information on reforestation in boreal and transitional forests, and the factors that influence it. An annotated bibliography is in preparation, with sections on silvics, reforestation methods and results, soils and site preparation, fire and regeneration, wildlife interactions with regeneration, insects and disease, non-native and invasive species, climate change and assisted migration, reforestation modeling, and regeneration assessment and technology. The bibliography currently contains about 230 references, most from interior and southcentral Alaska, plus relevant papers from other boreal regions, particularly Canada and Scandinavia. The bibliography should be complete by late fall. A copy of the working draft is posted on the DOF website, and we are looking into options for making it broadly accessible, possibly in connection with the Northwest Boreal Landscape Conservation Cooperative.

The next S&TC meeting is scheduled for September 30 with webinar sites in Fairbanks and Soldotna. The draft agenda will focus on overview presentations on five topics:

- Climate change in Regions II and III and interactions with regeneration.
- Herbivore interactions with regeneration
- Fire science regarding regeneration – TBA
- Bonanza Creek Long-Term Ecological Research (LTER) site reforestation research
- BAKLAP reforestation research

Freeman will send agenda to BOF, and to other scientists working in related fields. The following meeting will have similar presentations on

- Invasive species and regeneration.
- Planting and survival of non-native trees in Regions II-III
- Insect and disease issues relevant to reforestation
- Site preparation
- Reforestation results on state and Native land not covered by the BAKLAP or LTER research

The target for completion of the research compilation and synthesis is mid-winter. The S&TC will then begin review of existing standards. The S&TC noted the need for flexibility in the standards to allow adaptation to changing climate conditions.

The S&TC is not specifically researching information on conversion of non-productive or nonforested sites to managed forests, but some of the references in the bibliography address these issues.

State consideration of 404 permit assumption. Michelle Hale, DEC, reported that the 2013 Legislature provided funding and authority to explore whether it makes sense for DEC, DNR, and the Department of Law to explore taking over 404 permitting. In FY14, the agencies explored ways to benefit the public that needs 404 permits, whether through assumption of permitting or other avenues, such as administering General Permits. In the 2014 session, the agencies lost the funding and positions, but not the enabling legislation. Work can continue, but not at the same pace. DEC still has a federal wetlands program planning grant, and the DEC Division of Water wetlands and stormwater program can contribute some work. DEC absorbed 404 staff positions into other vacancies, and as time allows, they can do some work on exploring 404 permit options.

The Army Corps of Engineers response to state interest in working with them on General Permits (GPs) is generally positive, partly due to funding shortages. Work on a placer mining GP has been difficult; the Corps is a difficult bureaucracy to work with, and is subject to EPA oversight. The State is also exploring GPs for oil and gas pipeline work and Department of Transportation (DOT) work.

Connectivity of wetlands. Hale said that EPA has undertaken federal rulemaking on wetlands in response to court cases that raised questions on authorities. EPA has received fierce criticism on the draft rules. Many organizations agree that the new rule does not clarify the questions and broadens the EPA jurisdiction. The State will respond directly and through coalitions with other states and interests. DEC is also making the point that the decision on whether a wetland needs a permit (a jurisdictional wetland) is different than the determination of what wetlands are assumable by a state. Many people expect that this rulemaking may well wind up in the Supreme Court.

Cronin – does this rule effectively make almost all land a wetland? If the rule stands, it gets rid of state and private landowners' rights. Hale replied that the EPA was criticized for basing the rule on a connectivity study, but it was done before that study was available. The connectivity study essentially concludes that "everything is connected."

Hale said that in the last year the State did a lot of mapping, worked with the Corps on GPs, and increased understanding on the jurisdiction v. assumability distinctions. The agencies dug into what it would mean for Alaska to administer a GP. The agencies are continuing work on GPs. Alaska has some ideas to help the Corps on the placer mining GP. DEC is using the wetland program planning grant to assess the state program overall, including options for doing wetland delineation. DEC will host a stakeholder workshop later in the year. With continued work on the wetland program plan, the State can have a more solid framework for where a 404 permit program could fit, and could possibly obtain additional grant money to work on wetlands and 404 permitting. DEC wants to lay a foundation for GPs that would allow administration by Alaska if that's what the State decides to do. The agencies are evaluating what waters the State could assume. Alaska thinks most waters are assumable. DEC is also evaluating options for wetlands mitigation. The State's goal is to make 404 permitting easier, regardless of the approach adopted.

Hale noted that the State assumed National Pollution Discharge Elimination System (NPDES) permitting and is doing it better and faster; the same could be done with 404 permitting. Michigan and New Jersey have assumed the 404 program, and they are issuing permits on assumable wetlands much faster than the

Corps is issuing permits on non-assumable wetlands in the same states. Alaska is good at issuing authorizations under GPs.

Wolfe commended DEC on Alaska PDES permitting. In the timber industry, most Corps permits include both 404 and Section 10 of the Rivers and Harbors Act provisions. If the state assumed 404 permitting, the industry could still be subject to Corps permitting under Section 10. He encouraged DEC to figure out how to address Section 10 requirements. Section 10 deals with navigability. Hale replied that it could take an act of Congress to allow states to assume Section 10 authority. DEC knows it's an issue, but isn't ready to take it on. Vinsel asked whether it would be harder for the industry to work with split authorities than to deal with the Corps on both permits. Wolfe said that state 404 permit assumption could help with part of the permitting, but would not address the rest.

Nichols commented that the 404 silvicultural exemption doesn't cover sort yards and log storage. Could we broaden the exemption regarding silvicultural activities? These activities often involve low-value wetlands. Hanley noted that operators have to implement 15 BMPs for roads and stream crossings to qualify for the silvicultural exemption. The Corps would have to include similar BMPs for sort yards and other activities to include them in the exemption. Hale suggested that it might be possible to develop a GP for those activities. Nichols said he would like to use GPs as much as possible; the current process takes too long. Wolfe applauded the efforts for GPs and stated that this is the wrong administration for opening the 404 exemption.

Stark asked how the State can issue permits so much faster than the Corps. Does the state use more GPs? Could DEC do complex permits like Pebble faster than the feds and would the State come to the same conclusion as EPA? Hale expressed caution about addressing Pebble because of ongoing litigation. The Corps is very hard to deal with – staff don't answer phones, the State gets different responses from different people, etc. Michigan has deadlines for 404 permitting decisions. Nichols added that there are multiple comment periods that stop the clock in the middle of Corps reviews.

On behalf of commercial fisheries interests, Vinsel expressed concern about a drastic reduction with process timing where public input is important. With 30-day comment periods, knowledgeable people can be tied up fishing the whole comment period. We don't need 700 days, but more than 30 can be necessary. Hale acknowledged hearing that from both fishing industry and subsistence participants. DEC tries to be careful of that. Maisch agreed that State agencies can extend comment periods for known conflicts.

Effectiveness monitoring. Jim Eleazer, DOF, reported that Dr. Doug Martin received peer review on the final report on Trends and Conditions of Fish Habitat, and the report has now been submitted to DOF for final review before it is sent to the grantee the US Forest Service.

DOF wants to do post-harvest surveys and update pre-harvest surveys in Region II (Mat-Su). The Division submitted a pre-proposal for review. The funders said it's a good project, but they are focused on restoration rather than research and monitoring. Funding is unlikely from either the federal funders or private organizations like the Mat-Su Salmon Partnership. A proposal to fix culverts was also turned down because they don't do "construction" projects.

Stark asked whether the State is not getting grants like this because of state politics regarding fishery issues such as Pebble Mine. Eleazer replied that the Division continues to work with the Pacific Coastal Salmon Recovery Fund on road condition surveys and culvert replacement – it's one of the best opportunities currently. The Section 319 Clean Water Act funds really funded the effectiveness monitoring program, and they are no longer available for FRPA work. Maisch suggested that DNR could consider putting in CIP request for the five state culverts that need replacement. Eleazer noted that the five culverts are in the Tyonek area and predate FRPA.

Eleazer noted that ADF&G identified concerns about resident fish streams in the Kodiak-Afognak and Prince of Wales Island areas. DOF needs to get more information from ADF&G. Type I-C and I-D streams are tributaries to anadromous waters that have protection. Unprotected streams on private land would have to be streams with resident fish that don't have anadromous fish. Nichols said that the ADF&G perception is that the Type I-C and I-D FRPA standards aren't protecting the downstream fish. What waterbody impacts is ADF&G observing in these stream types and conditions? Stark stated that the concerns are siltation and temperature and the concerns are documented in other areas. Similar issues led to the loss of cutthroat trout habitat in western Montana. There aren't buffers on these streams. Wolfe stated that the Martin report shows 20 years of monitoring in the downstream reaches of anadromous streams that hasn't identified harm. Sealaska welcomes follow up to clarify this issue. Stark asked whether Martin took water temperature and siltation data? Wolfe responded that temperature isn't an issue in Southeast – Sealaska chased that issue.

Wolfe reported that Sealaska applied to the Natural Resource Conservation Service (NRCS) for a Regional Conservation Partnership Program for the Hoonah area. The program would address watershed planning across private and federal land. The proposal includes some monitoring, and there may be opportunities to address headwater stream issues – it would be good to identify the issues quickly.

Road condition surveys. Joel Nudelman, DOF, reported that the Division and ADF&G are reviewing all non-federal forest roads in the Kenai Peninsula Borough (KPB), including the west side of Cook Inlet and land south of Kachemak Bay. The PCSRF and KPB have funded the project. State funds provided the 30% match for federal funds. DOF appreciates the help from ADF&G Habitat Biologists on the surveys. DOF finished the database entries for prior surveys and the data is now available on-line through ADF&G website.

The agencies completed surveys for the Seldovia and Port Graham areas with English Bay, Port Graham, and Seldovia Native corporations. A one-day trip to Dogfish Bay is still needed. The road surfaces are in good shape. Ditchlines are in good shape except for some slash from recent maintenance. The surveys identified some low-rated culverts in the Seldovia area. One collapsed bridge needs to be cleaned out on a salmon stream in the Port Graham area. The surveys rated 16 culverts: five were rated 3 or 4; eleven were rated 2 or 1. On five of the low-rated culverts, upstream habitat is very short. The other six sites would benefit from restoration. These are some older culverts, but many were installed under FRPA in the late 1990s-early 2000s. DOF is working with the US Fish and Wildlife Service, Bureau of Indian Affairs, other funders, and landowners to identify restoration funding. DOF will generate a borough-wide report for the Kenai and post the data to the ADF&G website.

DOF plans to survey the Willer-Kash and Zero Lake roads on state land in the Mat-Su area this fall. The surveys will be conducted with existing state funds. In 2015 the Division plans to do preliminary work for surveys on Kodiak and Afognak islands. Work will include mapping and identifying survey priorities – a 100% survey is probably not feasible. The agencies do not yet have funding for the surveys.

Non-fish culverts are rated by the surveys, but more detailed measurements are made on culverts on known fish streams. ADF&G traps or shocks the streams to check fish presence on non-catalogued waters. Newly identified fish habitat is added to the Anadromous Waters Catalog. Some new streams were added from the Tyonek surveys, and there will be more from the recent surveys. Fish survey results will be in the database. Nichols asked whether any of the newly identified anadromous waters were previously surveyed without finding fish. Nudelman answered that some streams were previously catalogued up to the road only, but there was no blockage, and the surveys confirmed fish presence above the roads. Nichols noted that roads were sometimes located near the end of likely habitat. Nudelman said that the recent checks showed some crossings near the end of catalogued reaches; in others the habitat extended well above the crossing.

Vinsel asked how ADF&G deals with streams where pink and chum fry would have already left, and adults were not back. Will Frost, ADF&G Habitat Biologist, said the Department doesn't identify habitat for those species without presence or evidence of fish (e.g., bones). Young pinks are present April – June. If the decision on anadromy is just based on bones, the reach wouldn't be added to the Catalog, but for FRPA it is recorded as a salmon stream. If fish aren't found, but it appears to have fish habitat, the agencies can flag the culvert for resampling on a future visit. Vinsel appreciated having an ADF&G biologist present on the surveys. Nudelman said the agencies have revisited accessible culvert sites when the biologists thought they should contain fish.

State timber sales related to biomass proposals. Eleazer said DOF has received proposals for small space-heating and large combined heat and power (CHP) projects. DOF offered a 25-year contract in response to the CHP plant interest in Tok. No one bid on the sale; it remains available. If there are no bidders, DOF will likely repackage the timber into smaller sales for the existing industry. There was a large proposal for Fort Greely, but DOF has received no contact from the proposers in six months; they appear to have lost interest. Superior Pellets in North Pole has requested a 10-year sale. DOF is working on two sequential 5-year sales to meet this request. About 40% of volume in the proposed sales is birch. Superior doesn't have a use for the birch at this time but is evaluating a pressed-log product option. DOF issued a determination that pressed logs would qualify as a high-value-added wood product which opens the option for negotiated sales for value-added production under AS 38.05.123. Joe Young in Tok is also seeking a federal grant to produce compressed logs. He is no longer looking at a CHP project. DOF would put out a Request for Proposals for any .123 sale offerings. Jobs, products, and revenue from the sale are considered in the selection of a winning proposal.

Stark said that prices are lower for high-value-added products like pellets. How does that shake out when there are markets for other low-value wood like firewood? All the Fairbanks Area timber sales for lumber were purchased immediately this year. Mike Curran, DOF, replied that the Division starts by looking at competitive demands to avoid disrupting the existing industry. DOF will continue to put out other sales for the other operators and work with the industry to identify their needs. Fiber sales are getting snapped up. Stark observed that there was an effort with the Tok sale to save the prime spruce for lumber – is there a similar effort for the new sales. We want to keep the mills in business, too. Eleazer confirmed that DOF is addressing the need for spruce sawtimber, too. Maisch said that firewood will likely remain very important for another 5-10 years until gas is available. Nichols stated that if the birch volume can be traded, it benefits everyone. Don't force inefficiencies in the market by requiring processing of uneconomical volume. Why can't these be offered as competitive sales? Curran replied that DOF will offer both these .123 negotiated sales and competitive sales. DOF holds purchasers of negotiated sales to their commitments for processing the amount of wood described in their proposal submission; locally processed wood can come from within the negotiated sale, or include wood for which they've traded. DOF isn't forcing Superior Pellets to process sawlogs into pellets. The goal is to increase jobs from secondary manufacturing. Maisch emphasized that DOF's preferred method of sale is competitive bid; if competition increases, DOF can change future sales for pellets to competitive sales. Slenkamp asked whether prices will be the same as for competitive sales. Maisch and Curran said that prices may be somewhat lower, but DOF will set the base price based on administrative cost, and will consider the value of the high-value-added and other materials.

Eleazer noted that the Delta School gets the fiber they need from Logging and Milling Associates. The Tok School is supplied by hazard fuel reduction projects. Fort Yukon intends to use its own land for its wood supply. Galena seems to be the next big project. Koyuk has purchased a small sawmill and Eleazer reviewed FRPA requirements with them. That should be a low-impact operation using snow machines and chainsaws.

FRPA application to rural biomass. Eleazer reported that DOF and the Alaska Energy Authority (AEA) met and determined that the application of FRPA to rural biomass projects will be less problematic than anticipated. AEA receives a plan for biomass grant proposals. The sample document reviewed was well done and it would be easy to use it as the foundation for a DPO if necessary, and to determine whether the proposal exceeds the minimum threshold for the application of FRPA. AEA can ask for a DPO during the design agreements for approved projects. Typically the amount of fiber needed is less than the FRPA threshold. Devany Plentovich, AEA noted that its current services agreement with DOF for timber inventory allows use of fishery biologists to identify fish streams on biomass projects that would meet the FRPA threshold.

AEA wood energy project updates.

- The EPA comment period for new source performance standards for residential wood heaters closed May 5, 2014. There is now a new comment period just addressing comments received on testing protocols. AEA will provide State comments. EPA is still targeting a final rule in 2015. The time frame for implementing the new source standards may be extended from five to eight years.
- New AEA Renewable Energy Fund biomass projects include projects in Galena (*see handout*), Kake, Ketchikan airport, Haines (10 borough buildings), Minto, and Yakutat.
- The Alaska Wood Energy Development Grant Task Force funded Statements of Interest for Russian Mission, Craig Tribal Association, Gakona Tribal Association, Klawock School District, Juneau Chapel by the Lake, Native Village of Klut-Kaah, Tlingit-Haida Regional Housing Authority, and two US Forest Service (USFS) ranger districts.
- The Thorne Bay wood boiler has added a greenhouse that is student-operated. It is selling vegetable starts, vegetables, and hanging flower baskets, and providing a salad bar in the school. The Southeast Island School District is now trying to get wood heat in all their schools. Prince of Wales Island communities are struggling to get firewood harvest permits from the USFS. Firewood is being shipped from Thorne Bay to Coffman Cove.
- The Tok School has also added a commercial greenhouse. If a community can get funding for a greenhouse it could be used as matching funds. The Tok school power system is still working and the cost-benefit ratio is 1:1.
- Mentasta has a new chip system with an automated chip-feed system.
- Fort Yukon held a chipping training. Equipment is still working so far.
- Meetings: The 2014 Wood Energy Conference in Fairbanks had 142 paid participants. An initial meeting of the Pacific Northwest State Wood Energy Team Collaboration was held. The Juneau District Heating Summit had speakers from Montpelier, VT about district heating infrastructure.
- AEA plans to formalize fuel supply grant requirements for business, operating, and harvest plans and harvest equipment selection.
- Applications are due September 22 for Round 8 of the Renewable Energy Fund.

Thursday, August 14

Reconvened 8:18 a.m. Fairbanks and Juneau teleconference sites were online.

Division of Forestry Updates. Hans Rinke, DOF Kenai-Kodiak Area – In recent years, Kenai Peninsula forestry activity included about 150 ac/yr in new Detailed Plans of Operation (DPOs), with the exception of about 1500 ac in 2012. Most Kenai operations are winter harvesting of small salvage sales on the Kenai Peninsula. The wood is used across the Kenai Peninsula and in Anchorage. In the Kodiak area, about 4000-5000 ac/yr have been notified in recent years, with associated road-building. Future FRPA work in the Kenai-Kodiak area will focus on reforestation and road closeouts as Kodiak-Afognak operations wind down. Grass and salmonberry competition, and mice/shrew/bear herbivory are issues. Kodiak-Afognak has diverse ownership, but no national forest land; prior Chugach National Forest land

was transferred to Native corporations. Current harvesting is all on Native corporation land. There is no evidence of significant infestation problems.

In summer 2014, the Funny River Road fire was the largest fire in the state (200,000 ac). About 1/3 was spruce bark beetle-killed forest, 1/3 was birch-aspen, and the remaining third was black spruce. In the beetle-kill, it was a backing fire that was good at consuming the dead fuel and should leave a good seedbed. In the black spruce stands, the forest floor was still frozen. Cronin asked whether landowners have to account for emissions from wildfires that are allowed to burn. Rinke said no, and explained that young stands following fire also sequester a lot of carbon. Nichols said that it depends on whether forests are carbon-neutral, which depends on stand age in part. Maisch added that most of the fires allowed to burn are in areas where the wood isn't commercial. A natural lightning-caused fire on North Slope tundra caused 3% of the carbon emissions for 2005. It isn't possible to control all wildfire, even with a much bigger staff.

Nichols noted that Kodiak and Afognak have a long history of harvesting back to the Russian era. Half the current timber production from Alaska is from these islands.

Curran reported that on the Coastal Region. In 2014, fire activity was low except for large early season large fires at Funny River Road and Tyonek. Those two fires consumed staff time through mid-June when rains began.

- Mat-Su Area: Work on the Susitna State Forest proposal took a lot of time. DOF contracted for road construction across the Little Su last winter in preparation for harvesting in the coming winter. Firewood demand is high; demand for local lumber mills is low. Personal use firewood areas are popular, but they have to be close to access.
- Haines sold 17 FY14 sales (about 500 MMBF) to small mills for logs and fuelwood. A mining company is building a road across the HSF which will improve access to about 4 MMBF of additional timber in the Glacier Side II sale. Some bridges and roads need repair and maintenance. There is about 40 MMBF of surplus volume in the Haines State Forest based on the decadal allowable cut. DOF is working on a package to offer that volume. Some wood is not economical, e.g., a 700-foot bridge would be needed to access Tsirku area timber. Nichols questioned whether inaccessible timber should be part of the annual allowable cut calculation. There are also high-defect stands in some of the HSF. Curran concurred that unusable stands should not be part of the allowable cut, with the caveat that markets can change. Maisch added that access built for other resource needs, such as mining, sometimes changes the accessibility of forest stands.
- The Mental Health Trust sold 70 MMBF at Icy Bay which will increase FRPA work from the Northern Southeast area office.
- Tok Area sold about 2,000 acres of timber including some windthrow salvage. Tok is finalizing a road-use agreement across Tanacross land for access to salvage timber from fires in 2012. The wood will be mostly commercial fuelwood.
- Joe Young has about 800 acres under contract, primarily from Tanana River sale. He is seeking a federal grant for a compressed log system.
- DOF signed an agreement with the USFS Pacific Northwest Research Station to conduct destructive sampling on aspen, poplar, and birch in the Delta and Fairbanks area. The sampling will provide better figures on tons/acre of biomass. It will be funded by the federal research fund.
- The Southern Southeast Area (SSE) sold 8MMBF in FY14 and is laying out 18 MMBF for fall sales. This will use some of the surplus volume in the SSE annual allowable cut (AAC). A road project on Gravina Island and a log transfer facility and road project at Edna Bay will open up a lot of state timber. It was tough seeking an agreement with the Ketchikan Gateway Borough for use of the sort yard, but it is now done, and construction of seven miles of road should begin in spring 2015. FRPA activity on non-state land is much lower than in the past.
- DOF will put together a plan to offer the surplus volume in NSE/SSE.

Stark asked about options to deliver fuelwood closer to populated areas. The state funds delivery of oil and gas. Curran said that AEA funding can't be used for forest management on state land. The answer is to have a private sector entrepreneur buy blocks of state timber and deck or deliver it to people, rather than having the state compete with the private businesses. Delta did a lottery for personal use wood along the road ROW. Private contractors complain about unfair competition. Maisch said that new private vendors are supplying as much wood as needed in Fairbanks. People just don't like the price on the private market.

Wolfe asked how the State handles fire incidents in sustained yield calculations. If there is a reduction in the AAC, is there an opportunity for an aggressive reforestation program to get land back to producing timber? Maisch replied that the interior AACs are based on acreage rather than volume; burned areas are reclassified in young age stands. At present, the state isn't close to cutting the existing AAC. Curran added that most Limited fire protection areas do not have access for resource management either before or after the fire. It's not cost-effective to replant those areas.

Paul Maki, DOF Northern Region –

- Tim Dabney has started as the new NRO regional forester.
- The Large Project Team (LPT) of foresters and GIS experts will help the area offices with sale design and layout in the interior areas. The team is laying out sales in the Mississippi Fire salvage area and along the Pogo Mine road. There will be autumn timber auctions in Fairbanks and Delta. DOF is recruiting for the LPT leader and the Fairbanks Area Forester. Kathryn Pyne is moving from the area forester position to a fire planning position.
- This year there was one large fire near Delta in the federal protection zone, then summer rains set precipitation records, ended the fire season, and delayed road and bridge maintenance work.
- Six sales were offered in early summer in the Fairbanks Area – both of the spruce sawlog and one of the four firewood sales sold. There are 15 unsold sales available over-the-counter. Most have winter-only access. Six more sales will be sold this fall, with both spruce and birch. The Fairbanks Area currently has 45 active sales. The office harvested 515 acres in FY14, and has issued 186 firewood permits (664 cords) in the last quarter of FY2014, and is planting about 45,000 seedlings.
- The Delta Area has 30 active sales 180 acres were harvested in FY14. There are 11 active firewood operators in the area. Delta used CIP funding to build about three miles of road to some of the most active fuelwood harvest areas. Delta scarified 117 acres in April to promote natural regeneration.
- The Copper River Area has two active sales and has issued 64 firewood permits (252 cords) during the last quarter of FY2014.

Stark remains concerned about the supply of white spruce for the existing mills. Maki replied that the autumn spruce sales are intended to help address the demand for spruce.

Maisch noted that the Alaska fire season is essentially over, but there are 15 crews plus other individuals working on fires in the Lower 48.

DOF Roads office. Eleazer reported that the engineers in the DOF road office are working on access to Vallenar Bay on Gravina Island using a 4.75 MM\$ RSA from DOT. Agreements were reached with the Borough to cross their land for access. The Division is working with ADF&G on crossing structure recommendations and flagging the route on the ground prior to a design contract. DOF hopes design will be complete this fall and construction will start in spring 2015. The second Southeast project is at Edna Bay, using \$2MM in state CIP funds for road access, log storage, and a log transfer facility (LTF). The Army Corps has asked for a navigability determination from the Coast Guard regarding the log storage site. DOF is looking at different options. There have been local complaints about the road route and water supplies. Some people want existing roads upgraded, but conflicts with residential road use would be likely. The DNR Division of Mining, Land, and Water (DMLW) says an area plan amendment is needed prior to building the LTF, and the Corps permit requirements are needed before the amendment is

done. DOF and DMLW are continuing to discuss that decision. Nichols and Wolfe – it would be good to move forward on at least some parts of this project, perhaps by considering upland log storage.

In the Mat-Su, 6.7 miles of winter road project were built in six weeks including an ice bridge on the Little Su. The road extends across the borough land and will continue on state land. The Governors Office and DOT realized the value of the silvicultural exemption and state funding for building the road without triggering NEPA. The road accesses the Fish Creek timber sale area. The long-term plan is to upgrade the road to all-season access and design the Little Su crossing. DOF received funds from DOT yesterday to complete for design this fall and spring construction. The silvicultural exemption allows work in wetlands without federal permits subject to compliance with BMPs. If there federal funds used or the road crosses federal land, NEPA and federal permitting would still be triggered. If the road converts to other subsequent purposes, Army Corps permits are needed.

Bridges over Cache Creek bridge and Fortune Creek are road project priorities in the interior. DOF is inventorying bridges for DOT inspections. DOF engineers accompany the DOT engineers on the inspection, determine what fixes are needed, and develop cost estimates. One of the engineers has reviewed the Haines and Tanana Valley state forest road systems and is putting together work plans.

The Roads Office is putting together road plans and specifications for each FRPA region on state land. To spend Roads to Resources money, we need a definition of a “forest road” – there is no FRPA definition. DOF will send out a draft definition to Board. The draft ties “forest roads” to AASHTO standards without jeopardizing the silvicultural exemption. The AASHTO “low-volume resource recovery road” uses the standards for USFS forest roads. DOF will use the standard regulatory process to add a definition to the FRPA regulations and will include the Board in the review.

Nichols asked whether the DOF road office is just a mini-DOT. Why not change the procurement requirements requiring stamps for projects over \$100,000? A design stamp shouldn't be needed for a forest road in the open, rolling terrain around the Little Su. Eleazer replied that the Little Su access project demonstrates that DOF is much quicker than DOT. Changing the state procurement laws would be very difficult. Curran noted that on the Bostwick Road DOF worked with the DPOR engineer to stamp the design. It is a good example of an efficient project – it was built faster and at lower cost than prior DOT projects.

DOF organization. Maisch reported that it is difficult to recruit for many DOF positions. The Division has lost several mid-level managers recently. Changes have included the Fairbanks Area Forester, Fire Planner, Public Information Officer, and two Forester IIs. The Tok Area Office and Large Project Team will be transferred back to the Northern Region. DOF may combine the Delta and Tok Area offices into an Upper Tanana Area with a single area forester and a Fire Management Officer (FMO) – it has been hard to hire Assistant FMOs for the smaller areas. Forestry organizations across the country are experiencing similar problems.

Southeast State Forest (SESF) Management Plan. Jim Schwarber, DOF Planner, briefed the Board on SESF planning (*see handout*). DOF is the primary land manager and planning agency for legislatively designated State Forests. A management plan is required for each State Forest. The SESF has four management areas with 33 units dispersed across the region. DOF has done outreach through a mailing list, public notice, and meetings with the Southern Southeast Regional Aquaculture Association Neets Bay Hatchery, agencies, and watershed interests. The primary purpose for State Forests is set by legislation as timber management and production.

Agency review of the draft plan is running from late July-August; public review of the draft will start in early October with a 30- to 45-day review period and public meetings. DOF would like Board input by September 8. Timber inventory and allowable cut calculations will be based on rotations of 60-100 years

with a mix of young-growth and old-growth harvesting. Transportation planning, including marine transportation, is a key element of the planning project. DOF is also working on agreements with DMLW and the State Historic Preservation Office, and there is potential for agreements with the University, Mental Health Trust, and USFS to coordinate future timber and access activity. Wolfe suggested that agreements could also include private landowners.

DNR is discussing potential additions of roughly 28,000 acres of state land including uplands, tidelands, and submerged lands. Many are young-growth stands. The state has a small land base in Southeast.

Nichols noted that DMLW still controls a lot of what happens on the State Forest, such as the LTF at Edna Bay. Clarence Clark, DOF, said that the proposed additions include a lot of the areas of concern for DMLW.

Vinsel recommended including the species present for anadromous streams listed on the unit cards in the plan – different species have different considerations and timing. What is the significance of south-facing slopes below 800' elevation? Clark explained that it indicates deer winter range. Schwarber noted that ADF&G would be involved in the Forest Land Use Plans (FLUPs) for individual timber sales. That is where the full detail on various concerns would be addressed. Clark explained that the unit cards provide a base for starting detailed planning and contacting other agencies to address specific conditions.

Nichols said that including references to adjacent land uses on the unit cards opens up the potential for other interests to ask for concessions like a buffer along the State Park near Crittenden Creek. Nothing recognizes how much land is already dedicated to other uses in Southeast. These are small parcels and won't have a big cumulative impact. Clark said that there is a statutory requirement to consider wildlife habitat and scenery and the unit cards are the starting point for that. DOF can consider adding information on surrounding land ownership to the unit cards. Nichols stated that eagle nesting requirements are a concern, particular regarding timing. Maisch suggested that it might be good to note how much acreage in each unit is old growth.

Curran said that the SESF plan identifies primary land uses and management intent for each unit. DOF still has to go through the same timber sale process, including the Five-year Schedule of Timber Sales, best interest finding, and FLUP and the associated agency and public comment.

The Board will submit comments to Freeman by September 2, who will consolidate them and review them with the Board prior to the September 8 deadline. If members have comments beyond the Board purview, those may be submitted during the public review process. Wolfe asked that the Board discuss the plan again before the final is adopted unless there really aren't controversies.

Nichols state that his biggest concern is keeping flexibility and avoiding "thou shalt nots." The plan should highlight the big goals, especially transportation infrastructure needs for the long term. The plan should look more broadly than individual units.

Maps of potential additions to the SESF are included in the maps for the agency review draft. A link to the maps is available from Jim Schwarber on request.

Boreal Alaska Learning and Adaption (BAKLAP) update. Glenn Juday, UAF

Juday reported that he visited Joe Young's facility in Tok. There is interest in having forestry research and extension staff work with Young, DOF, and the community on tree regeneration. Some areas aren't regenerating well or are regenerating with species other than the target species. E.g., why are fuel breaks regenerating to conifers rather than hardwoods? Little regeneration research has been done in the Tok area.

Research Natural Areas (RNAs) in the Tanana Valley State Forest – The Tanana RNAs are of interest in looking at how ecological communities are distributed around the landscape, and documenting how they change over time. The RNAs have been valuable for research that has been documented in peer-reviewed literature.

- Keystone Dunes – there are cold-air drainage areas that previously precluded tree growth where trees are now appearing. On top of the dunes, the site is so dry that trees are particularly susceptible to drought. The hardwoods have performed more poorly than the conifers, but bring also fire hazards.
- Volkmar Bluffs – are grasslands and transitional areas with aspen parklands. There has been a 50% reduction in the grassland area.
- Caribou Crossing -- aspen leaf-miner has caused a lot of mortality on the bluffs. Have also observed tree mortality comparable to Bonanza Creek in older white spruce plots in response to insect infestations and other stresses.

RNA research has shown where trees are doing poorly, and where they are doing well. Trees in western Alaska are growing faster than trees in central Alaska, which is a major change.

There was difficulty in downloading Juday's slide presentations. Freeman will distribute them to the Board following the meeting.

Forestry-related marketing and messaging. Mali Abrahamson, Department of Commerce, Community and Economic Development (DCCED), reported that she and Nicole Grewe have resigned from DCCED. DCCED is working on a new contract with a public relations advertising and marketing firm. There will be an option to develop a marketing campaign under that umbrella. She recommended the oregonforests.org website for an example of forestry messaging. Joe Jacobson will be the new contact for forestry projects. DCCED will do a biomass supply and demand study for Southeast and Interior in partnership with AEA. Jacobson recently visited small mills on Prince of Wales Island.

Public comment. Kent Cross, contractor with A-1 timber on forest engineering: Last fall, A-1 requested that DOF look into a timber sale in the Chiniak area – there's about 1200 acres of merchantable timber. DOF puts up timber sales elsewhere that don't sell, and spends thousands of hours on plans. This timber would get purchased, but nothing has happened.

Maisch explained that the Chiniak parcel is not classified for Forestry. DMLW is the managing agency – they would have to concur with timber sales and the sales would have to be consistent with the plan intent. The managing agency hasn't concurred. Wolfe empathized with Cross, but noted that the Board of Forestry isn't a decision-making agency. He suggested that Cross write a letter to DNR requesting reclassification.

Cronin commented that DOF makes allowance for other activities on Forest land and asked whether other land managers do the same. Maisch replied that other managers do make allowances on other land classifications on state lands. Changes have to go through agency and public review. In Southeast, DOF is asking the Legislature to designate some non-Forestry classified land as part of the State Forest; that is a lengthy process. Rinke added that the Chiniak land is classified for grazing with an active lease on the ground. Cross said that logging would mean fewer trees, which could benefit the lessee. Can't this land be traded around within DNR? Maisch said that changes can be made, but they take time. Cross stated that timber harvest and related activities have the highest wages of any sectors listed in Kodiak area employment. DOF will confirm the status of the parcel and reply to Cross in writing, including a copy of the current classification and management intent.

Pete Hanley, Chiniak resident, said he had observed the logging by A-1 on Leisnoi land and it's destroying the Sitka spruce forest. In Kodiak, you are at the treeline for these trees. There won't be a lot of forest left when A-1 leaves. He encouraged the Board not to give A-1 logging rights to the land

they've requested and to look at how compliant they've been with the FRPA. DOF says they've found them compliant. Leisnoi has the right to harvest their land, but they could have done it differently or sold conservation easements. We need to retain the forest on state land – it is first growth timber. There are just token buffers on streams and lakes. Look at the community impact of the operations – they've run trucks starting at 6:00 a.m., and sometimes overnight, five times per hour. There is a question on the location of the actual boundary between the State and Leisnoi land. We've been disturbed by A-1 for four years. They have only 35 employees of which only a few are from in-state. The logs are just exported with no value-added. All the streams through the area are salmon streams. Maisch noted that BOF is not a regulatory body nor does it make decisions on the location of timber sales. The Board advises the Division and the Division takes that seriously. Hanley said that the Board does have influence on the regulations. After seeing Leisnoi land, the Board should think hard about whether the regulations are enough. Maisch said that the agencies do compliance inspections. The regulations have been updated over time. Protection of water quality and fish habitat is a key feature of FRPA. The operations have complied with the Act. Hanley said that when new areas are logged, the water goes to mud in the bays. A layperson would question the value of the regulations if these operations are compliant with the regulations.

Bonnie McQuethy, private citizen, echoed Peter Hanley's statement. The majority of the people in the community would like the state forest in the Sacramento valley preserved. The effects of the logging have been devastating. She thanks the Board for a decision to preserve the state land as it is now. McQuethy is a commercial salmon seiner and has seen the impacts of sedimentation on the salmon streams. Forestry profits do benefit the community, but so do salmon profits and wildlife. Maisch noted that FRPA is intended to balance the needs of the timber and fishing industries.

Cronin asked whether there is a lot of erosion from forest roads.

Keith Coulter, Koncor Forest Products, manages 90,000 acres for Ouzinkie and Natives of Kodiak on Afognak Island. The recent comments are hard to undo and lack quantified backup. The state folks would step in if there is evidence of harm. Fish is as big an asset as timber. We're not going to do anything that harms fish.

Maisch noted that there has been a lot of forest management in Southeast, and there is still a robust and healthy salmon run. The goal is balancing the needs of the industries and FRPA has done that well.

Stark commented that the State and the industry go out of their way to help – the hammer comes down when there is damage to a fish stream. He would like to know the exact locations of streams that McQuethy believes are damaged. Hanley said that you can see them if you go up the logging roads or down the coast to the Sacramento River. You can see it from the ocean side. We have pictures and a video from an overflight. Maisch said that if the BMPs aren't used correctly we need to act; if the BMPs are not effective we can address them. Changes need to be based on science.

McQuethy reported that she has photos and video of sedimentation. Local people have observed increased sedimentation since logging occurred. Stark said that he will be interested in looking at the information to determine the sedimentation source.

Wolfe commented that in Southeast Alaska we have been monitoring logging impacts on salmon streams for over 20 years. It's the largest dataset in the Pacific Northwest and has been a coordinated effort between Sealaska and state agencies. The final report is in preparation. The study found that FRPA is doing a good job protecting anadromous fish habitat.

FEDERAL FOREST MANAGEMENT ISSUES

Sealaska entitlement legislation. Wolfe reported that the land entitlement bill has made it through the committee of jurisdiction. Stakeholders have had input from roughly 250 meetings. Substantive issues have been worked out. The remaining issues are political. Sealaska hopes to seek passage in connection with some larger bill – it's not big enough to pass on its own. Sealaska Timber Corporation is operating this year at a much reduced level, and may not be able to put together an operating plan on Sealaska land for 2015. Maisch noted that Native corporations and other private entities are actively bidding for state timber. The situation will remain difficult until sufficient second-growth is available. Wolfe observed that market demand is shifting to smaller logs. Sealaska second-growth will become available around 2035.

Mental Health Trust (MHT) exchange. Paul Slenkamp, MHT Land Office, reported that the Trust operates throughout the state. It has small sales in Haines, an ongoing sale at Kasaan, and a large sale at Icy Bay was recently purchased by Sealaska Timber. The Trust is trying to put timber out quickly to help sustain the industry – Trust timber assets have no value if there is no industry to purchase them. MHT completed the valuation consultation with USFS on the proposed exchange and has moved through the feasibility analysis. A federal appraiser has determined that there is a feasible land-value for land-value exchange. Next will be an Agreement to Initiate which will start the NEPA process. The Trust hopes to include NEPA review for the exchange within the Tongass National Forest plan update as much as possible. The best-case timeline for land conveyance would be 2016-2017. The state process for the exchange also ensures a value-for-value process. Current statutes (AS 38.50) require an appraisal within one year of legislative approval, which doesn't work well with legislative timelines. MHT and DNR are considering legislation to address the timeline challenges.

The Trust has a lot of land in the Fairbanks area. The Icy Bay timber sale was about 70 MMBF. MHT is preparing 8 MMBF for sale from remaining parcels on POW. After that, the Trust is close to the end of its commercial timber in Southeast. Stark observed that Sealaska is close to the end of its timber, so is the Trust, and so is the University. Can other suppliers fill the gaps in the Alaska timber supply? Slenkamp commented that the Trust is getting the benefit of timber shortages and higher prices currently, but in the longer-term, the markets are changing away from the type of timber Alaska produces. Nichols added that due to scarcity, large-diameter timber markets are going away except for niche markets. Users are switching to other wood as large timber is not consistently available.

Roadless Rule. Tom Lenhart, Attorney General's Office: In 2011, a federal judge reinstated the Roadless Rule on the Tongass National Forest and invalidated the Tongass exemption. Alaska filed a case in the 9th Circuit, and a three-judge panel ruled to reinstate the exemption. They have to issue a mandate back to the District Court but that won't happen until a decision on a petition for rehearing. Lenhart expects to hear soon. Rehearings are rarely granted. If the petition is denied, the panel's decision will go into effect quickly and the exemption will be back in place. If the petition is approved the exemption will not be in effect until the full court rules.

Alaska also filed a suit in the Washington, D.C. Circuit Court appealing the district court's decision to dismiss the case based on the statute of limitations. Oral arguments on the statute of limit issue are scheduled for September 16.

Chugach National Forest (CNF) Plan. Sylvia Kreel, OPMP: Kreel leads the State team that is coordinating with USFS on the Chugach plan update. The update is using the new planning rules which provide for assessment, revision, and monitoring phases. The assessment phase started January 2013 and included public and state agency meetings. The assessment will be released around September 1. The USFS will then initiate the actual planning process and start the NEPA process. The state may be a cooperating agency in the process. Maisch stated that DOF would like the CNF to reestablish an allowable cut to allow for needed restoration and fire management work.

Tongass National Forest (TNF) Plan and advisory committee. Forrest Cole, USFS-TNF Supervisor, described the Tongass Advisory Committee (TAC). The USFS has asked the TAC for a recommendation on young-growth management standards and guidelines by April 2015. Cole hopes it will be a stand-alone alternative for the whole forest. Maisch and Nichols are TAC members. The TAC met for the first time in Ketchikan last week, and will meet again in September, October, November, January, February, and March. TNF is contracting for an ecological analysis. The USFS wants to publish a draft decision in summer 2015, and have the final decision by August 2016. The TAC will have an opportunity to work on the recommendation as it moves through the process. There will be a lot of public interest: 140,000 comments were submitted on the first phase of the plan.

The Big Thorne timber sale for 100 MMBF received 173,000 public comments. The sale will be advertised this fall. There is additional volume that could be offered in small and large sales in subsequent years.

Maisch said that AEA stated that on Prince of Wales Island, schools with wood boilers are having trouble getting permits for wood from USFS land. Cole said he hasn't heard those concerns; island communities are getting a lot of their wood from existing mills.

Southeast timber transportation system and Revilla Island Road System. Clarence Clark, DOF Tongass Liaison, reviewed timber infrastructure needs, including landings, roads, sort yards, log transfer facilities, rafting grounds (long-term log storage), short-term log storage (near ship moorages), and moorage sites. In the days of long-term pulp contracts, the pulp mill contractors took care of much of the needed infrastructure. When the contracts ended, the infrastructure was lost. DOF and other parties are now working to re-establish the infrastructure as public facilities within working circles centered on ship moorage sites in Hoonah, Kake, Klawock, Wrangell, and Ketchikan. The facilities would serve multiple landowners and a variety of logs. The system would not replace every permitted area in Southeast. Sealaska has many permits throughout Southeast – this effort does not try to replace those. The hope is to have the system of permitted marine transportation sites in place prior to timber sales in those areas.

There are 11 unconnected road systems on Revilla Island totaling 400 miles of federal forest roads and 100 miles of non-federal forest roads. Another 50 miles of road could tie those systems together at a cost of about \$25 million dollars. Links could be added incrementally. There are 41,000 acres of USFS young-growth and 15,000 acres on other ownerships on Revilla Island. If the systems could be connected, they could all operate out of a single LTF in Ketchikan, rather than through multiple remote sites. Tying them together could save about \$100/MBF in costs for permitting, fuel, and moving people around. A connected system would also benefit the work force by supporting long-term employment and allowing employees to live at home rather than in camps. It also improves safety, reduces fuel spills, and reduces costs for helicopter use. There are existing transportation facilities on state, federal, Native, and Mental Health Trust land. Wolfe asked whether forest roads on Native Corporation land that would need upgrading to be part of this system could come under the Roads to Resources program and DOF roads office. Clark replied that the State and landowners can work out road agreements with owners for use, there may be options. Wolfe said that agreements may be easier with DOF than DOT. Much of the Revilla federal land is classified Roadless, but the state holds easements established by Congress through the area. Nichols said that the Revilla system would also have recreational benefits in Ketchikan.

Clark said that few new LTFs are needed -- DOF is looking at taking over existing permits. The proposals for additions to the SESF include submerged land and tideland that includes transportation facility sites. Wolfe said that a new LTF permit takes 12-24 months. Clark noted that the Pothole permit in Wrangell Narrows took 18 months to get a five-year permit.

Over the next five years, 40 MMBF of the 46.5 MMBF planned for sale in the Tongass in 2015 depends upon the marine infrastructure, as do large percentages of proposals for future years. Once the State holds permits for the needed sites, the USFS can appraise the wood to those sites, greatly increasing the sale value, and making many more sales economically feasible. Current USFS rules allow 50% of the timber volume to be exported. That volume can be appraised for export if transport facilities are available that make it export feasible.

Old Growth Availability. Erin McLarnon explained that The Working Forest Group (TWFG) is looking at forestry issues statewide to advocate for working forests that support the environment, social structure, and communities. TWFG completed an analysis of old growth inventory to support the timber industry until sufficient old growth is available. Total productive old growth is about 1,000,000 acres, using the five working circles around Klawock, Hoonah, Kake, Wrangell, and Ketchikan. Using five working circles rather than appraising all USFS timber to a single point (Klawock) increased the appraisal value from about \$30 million to over \$150 million. This report is available on TWFG's website. At 30 years, the even-flow annual harvest level would be 175.7 MMBF if a single point is used. It would increase to 389 MMBF with five working circles without increasing the size of the timber base (about 3,800 acres). The report includes recommendations to reduce or eliminate restrictions on old growth production. Clark said the TAC could incorporate these recommendations for Tongass planning. Stark stated that "eliminating restrictions" on old growth production are fighting words for the environmental community.

TWFG is now working to identify what the industry will look like, and what infrastructure it will need in short, medium, and long (20+ year) time frames as the industry transitions to second-growth harvesting.

Digital log scaling and 3-D aerial photo (FODAR) projects. Patrick Kelly, University of Alaska Land Management: The University has joined with DOF, MHT, and the USFS in the Alaska Forest Management Cooperative to work on new technology for timber scaling and cruising to improve forest management. The University re-energized its timber program in Southeast, beginning with a timber sale at Edna Bay and two sales on Marko Island.

Timber scaling. University researchers are using digital photography to assess piece count, log diameters, and length to compute volumes. It takes about the same amount of time as conventional scaling, but is more precise, speeds up throughput (eliminates manual data entry), generates reports in multiple formats, and improves buyer confidence. The focus is on applications for young growth management.

Timber cruising. This project uses "structure from motion" techniques with a combination of photography and LIDAR to produce cruising reports. The cost is ten times less than LIDAR alone. Researchers did a test study on a 2,000-acre MHT property near Fairbanks that DOF has cruised. The FODAR method can figure out tree heights, crowns, stems, and diameters to accuracy of 5 cm. The flight cost \$1500.

Unmanned aerial vehicle (UAV) applications. Kelly showed a video from a UAV test flight near Ketchikan. The UAV unit costs \$1200. It can fly up to 900 feet from the operator at low elevations that show a lot of detail. Maisch reported that DOF used one of the University's UAV units on a wildfire in May. Use has to be cleared with the Federal Aviation Administration. The University has one of only two federal licenses for commercial use.

Alexander Archipelago wolf and Endangered Species Act (ESA). Cronin reported on his research on wolf genetics. An environmental group petitioned to have the Alexander Archipelago wolf listed as an endangered subspecies. There are currently no endangered terrestrial species in Southeast. Requested listings for goshawks and the wolf could cause problems for Tongass timber harvesting. Congress recently delisted wolves in the northern Rocky Mountain States. Wolves were listed in the Great Lake states until recently, but were delisted through the regular process. Mexican wolves are a subspecies on

the ESA list, the “Eastern wolf” is proposed by the US Fish and Wildlife Service (USFWS) as a species, and wolves in southeast Alaska are petitioned as a subspecies. There is no scientific consistency on how the USFWS is treating subspecies. Neither Mexican nor Southeast Alaska wolves are good subspecies based on genetic history. Alaska wolves show a lot of genetic variation that overlaps with that for British Columbia wolves. The genetic data don’t support a subspecies determination for Southeast nor population status for Prince of Wales Island. There is a trend to splitting up designations (“taxonomic inflation”) to gain conservation status. USFWS hasn’t responded to the genetic studies to recombine the subdivided groups. Nichols said that if we need more wolves we can stop shooting them and cut more trees to provide more deer habitat. Wolf listing will devastate Alaska by restricting deer hunting, which will particularly hurt subsistence users. Wolfe agrees that deer populations are going down as stem exclusion occurs in previously harvested areas. More logging could address that. Cronin said that Alaska must assert that Alaskan wolves are not a subspecies. Stark commented that geographic isolation sometimes does result in genetic differences. If we didn’t have the ESA structure, we would have lost salmon populations. Cronin said that it shouldn’t be the federal government’s role to handle ESA. Federal courts defer to federal agencies, regardless of the balance of evidence. It’s corrupt.

Wolfe reported that there has also been a petition from some environmental groups to list Alaska yellow-cedar under ESA. Maisch – DOF provided information on yellow-cedar decline to ADF&G for the state comments on this issue, including recommendations for better ways to address decline issues, and reasons why the species is not threatened or endangered. The State nominated some land with yellow-cedar decline for treatment. Wolfe expressed concern that decisions on ESA issues will accelerate in the last years of the Obama administration. Vinsel said that an ESA listing for yellow-cedar would dovetail with the Convention on International Trade in Endangered Species and cause problems with craft usage of the wood. Already dead cedar is valuable for crafts.

Timber Jobs Task Force implementation. Maisch reviewed the handout updating the Task Force work (*see handout*). The main work since April was on State Forest proposals, statute and regulation updates, and state forest road work.

Next meeting date. Fairbanks/teleconference to Anchorage, Juneau, and Ketchikan, December 9, 2014

Agenda items.

- Budget
- Legislation
- Region II-III reforestation
- Wood Energy updates
- Headwater stream research update
- Federal-state processes; TAC group
- SESF Management Plan update
- 404 permit assumption update
- Yellow-cedar ESA petition
- DOF updates
- State forest road status and maintenance
- Update on Interior FIA project.

Board comments.

Stark: Good meeting, good staffing.

Nichols: It was worthwhile to hear the local forestry issues from Kodiak that we wouldn’t have heard otherwise.

McLaron: Appreciated getting to Kodiak despite the difficult logistics.

Cronin: Welcome to Denise, thanks to Foley for service, thanks to industry representatives for coming and sharing concerns.

Wolfe: At Rick Harris’s retirement, Wolfe recognized him for his role in bringing about the FRPA. Wolfe believes fully that fish habitat on Sealaska land is well-protected because of compliance with FRPA. That’s a huge issue for Sealaska’s shareholders.

Nicolls: Well-run meeting despite technological glitches. He has been proud of being a forester since his start when the profession's philosophy was to "liquidate the old growth" to improve forests. However, we've done a lousy job as a profession explaining what we are about. Cutting trees doesn't destroy the forest. Foresters don't promote the destruction of their working place. Forestry begins when you start out with a bunch of stumps. Nicolls welcomed Denise to the Board.

Herzog: Appreciated patience, explanations, and background information. There are many similarities between the forestry and mining industries.

Vinsel: Thanked the staff for surmounting the logistical hurdles. He appreciated hearing the public comments, and looks forward to seeing operations in the field. He is glad to know Alaska is one of the places where there is approved experimentation with UAVs. Welcome Denise.

Adjourn Day 2 – 5:30 p.m.

Field trip note: On Friday, August 15, the Board and agency representatives visited timber harvest and reforestation operations, logging roads, and stream crossings on Leisnoi land at Chiniak.

Meeting attendees

- Mali Abrahamson, DCCED, speaker
- Jay Baldwin, Leisnoi Inc.
- Randy Bates, ADF&G-Habitat
- Clarence Clark, DOF, speaker
- Forrest Cole, USFS-Tongass NF, speaker (phone)
- Keith Coulter, Koncor
- Kent Cross, A-1 Timber
- Mike Curran, DOF
- Tim Dabney, DOF
- Jim Eleazer, DOF, speaker
- Gerry Engle, Afognak Native Corp. (ANC)
- Marty Freeman, DOF, speaker
- Will Frost, ADF&G Habitat
- Will Haag
- Michelle Hale, DEC, speaker (phone)
- Kevin Hanley, DEC, speaker
- Pete Hanley, Chiniak resident (phone)
- Greg Harris, Afognak Native Corp.
- Glenn Juday, UAF, speaker (phone)
- Patrick Kelly, UA Land Mgmt., speaker
- Paul Maki, DOF (phone)
- Tom Lenhart, AGO, speaker (phone)
- Dave Nesheim, A-1 Timber
- Joel Nudelman, DOF, speaker (phone)
- Devany Plentovich, AEA, speaker
- Tarn Rackley,
- Hans Rinke, DOF, speaker
- Jim Schwarber, DOF, speaker
- Paul Slenkamp, MHTLO, speaker
- John Winters, DOF

Handouts

- Agenda (revised)
- BOF contact list
- Public notice
- March 19-20, 2014 Draft Board of Forestry minutes
- Update of Alaska Timber Jobs Task Force Recommendations and Status
- BOF letter to chancellor
- 2013 BOF report to Governor
- Minutes from Reforestation S&TC meetings #1 and #2
- SCR2 – Request for additional state land in Tongass
- SESF Management Plan working draft
- Fairbanks Area Forestry Report
- Announcement – Alaska Chapter, American Fisheries Society, Special Session: Forestry-Fisheries Sustainability: What Progress Have We Made?
- FRPA Funding chart adjusted for inflation
- University of Alaska Timber Technology Presentation – Timber Scaling and Aerial Timber Cruising “FODAR”