

FINAL MINUTES
Board of Forestry Meeting
March 19-20, 2014
Juneau

Wednesday, March 19, 2014

Call to Order and Roll Call. Jim Eleazer (DOF Forest Resources Program Manager) substituting for Chris Maisch, called the meeting to order at 8:36 a.m. The Anchorage and Juneau teleconference sites were connected. Matt Cronin, Jeff Foley, Erin McLarnon, Eric Nichols, Chris Stark, Mark Vinsel, and Brian Kleinhenz (substitute for Ron Wolfe) were present. Wayne Nicolls was absent. A quorum was established.

Approval of agenda. (*See handout*) The agenda was unanimously approved with no changes.

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) websites. In addition, DOF contacted media, and notices were sent to the United Fishermen of Alaska Board and the Society of American Foresters through Board members. (*See handout*)

Approval of Minutes. The Board reviewed and unanimously approved the November 12-13, 2013 minutes with no changes. (*See handout*)

Announcements.

- The American Fisheries Society annual conference will include a session on forestry and fisheries in October 2014 (*see handout*).
- Eleazer handed out a spreadsheet showing forest practices information from 1982 forward. (*see handout*)
- Eleazer presented a 15-year service award presented to Joel Nudelman.

Old Business II

WOOD ENERGY

State projects. Eleazer, Mike Reggear (DOF Large Project Team), and KT Pyne (DOF Fairbanks Area Forester) reported on current projects.

- **Xylem Power** -- Xylem Power has approached DOF with a proposal for a 2.5-3 MW generator in Tok to sell power to AP&T, and is looking for private funding for the facility. They've requested modifications to the Tok long-term timber sale, including stumpage rates that are below the base rate required for state sales, a one-year due diligence period, a refundable performance bond, reduced reforestation and scarification requirements in recognition of fuel reduction goals, and permission to "season" felled timber in the woods. DOF is reviewing the requests to determine what is in the best interest of the state. DOF cannot sell timber below the base rate. DOF will revise the draft sale contract as appropriate

and reoffer the timber as a competitive bid sale. There is some flexibility to address reforestation concerns.

Vinsel expressed concern that if “seasoning” wood in the forest leads to increased insect populations, it might lead to infestations such as the spruce bark beetle and create pressure for undesirable pesticide use. He is concerned about potential impacts of pesticides on fish habitat.

Nicolls arrived.

- **Fort Greely biomass** – The Army is interested in renewable energy options for Fort Greely and Fort Wainwright, including biomass and wind energy options. DOF has provided the same information to the Department of Defense that they previously provided to Siemens, and DOF will meet with the Department of Defense (DOD) soon. The process is moving slowly. Economics will play a role in their decisions, along with energy security. DOD would like to have a one-year, well-protected supply of energy on the base at all times. The influence of potential natural gas supplies is currently uncertain. If DOD decides to use wood biomass, the state would be the primary supplier for Fort Greely; the state and borough would both contribute to supply for Wainwright. Planting fast-growing species on agricultural lands could contribute, but new trees wouldn't be available for five to seven years after project startup.
- **Superior Pellet Fuels** -- Superior has requested a 10-year supply of wood for pellets and pellet logs. DOF presented a plan identifying 700 acres of mixed stands for a potential five-year supply, with a plan to identify the second five years by year 3 of the first contract. Superior would have to take all species. At present, they can use poplar, aspen, and spruce, but not birch. These stands are about 22% white spruce, including some sawtimber. Superior would like pure, white spruce pole stands, but there aren't enough available without impacting other uses. There are about 4,000 cords of birch in the mixed stands identified, which is a concern to Superior. DOF awaits their response to the plan.

DOF has the allowable cut to provide the identified acreage to Superior without adversely impacting other operations, but couldn't provide pure white spruce stands without impacts. Increased harvesting may attract public concern. There is an opportunity for Superior and other operators such as Northland Wood Products to exchange some different types of timber.

Pellets are currently listed as a high-value added product. Pellet logs are not yet listed, but can be added through a decision by the State Forester

- **Other large projects** – The DOF Large Project Team is also working on other projects throughout the Interior, including the Mississippi Fire Salvage timber sale (scheduled for autumn 2014), the Copper River Five-Year Schedule of Timber Sales, the Eastern Tanana Area Plan, and consultation on road planning, including a potential road to Tanana.

Alaska Energy Authority (AEA) project updates. Devany Plentovich reported on:

- **Emission regulations** – The standards for boilers and process heaters for major and area sources are wrapping up. The final standards were released in December 2012. They require a tune-up every five years for boilers from 1.6 MMBTU-10MMBTU. In Alaska this would only affect the Tok and Delta school boilers at this time. The initial tune-up is due by March 21, 2014. Tok has already done their tune-up and the boiler is running well.

The Environmental Protection Agency (EPA) released a new proposal for residential wood heaters; comments are due May 5, 2014 (*see handout*). DEC is the lead for State of Alaska comments. The proposal addresses new room and central heaters, masonry heaters, and forced air furnaces. It does not apply to existing systems, new indoor fireplaces, outdoor fireplaces/cooking appliances, and certified devices. There is no restriction on hours of use. EPA proposes particulate limits similar to the existing standards starting 60 days after publication. After five years, the particulate limits would be lowered significantly to levels that no current system can meet. Third-party independent testing would be required for certification of new equipment at 15% and maximum burn rates, using cordwood as well as cribwood. Testing would include CO emissions. Test protocols are yet to be determined.

- **Round 7 Renewable Energy Fund grants** – AEA received 13 biomass applications. For the first tier of the next round of funding (\$20 MM) they recommended projects in Galena, Kake, Ketchikan, Haines, Minto, and Yakutat. Eight other projects are in the second tier – they are recommended for funding, but exceed the amount of funds currently available. Nichols: He would like to see development of renewable-energy powered electricity as well and encourage development of that technology.
- **Alaska Wood Energy Task Group** – Plentovich reported that the Group received 13 statements of interest for pre-feasibility assessments; they are currently scoring the applications.
- **Biomass Integration Workshop (March 3-4, 2014)** – AEA's presented a workshop on integrating biomass heating into existing buildings. The goal is to avoid flaws that have cropped up in past projects. Attendees included engineers, architects, facility managers, developers, and installers.
- **The AK Wood Energy Conference** is scheduled for April 15-17 in Fairbanks.

The possibility of natural gas availability is slowing interest in wood biomass in the Fairbanks – North Pole area. More rural areas are proceeding with biomass projects because piped natural gas is too far in the future.

Kleinhenz asked how many projects proceed on their economic merit independent of state grant funding. Plentovich said that the great majority currently receive AEA funds. AEA is discussing how to taper off state funding.

One project for coppicing is the only wood project that has been funded through the Emerging Technology grants so far.

Application of FRPA to rural biomass projects. DOF, in consultation with Tanana Chiefs Conference (TCC), is developing a simpler Detailed Plan of Operations for small projects in regions II and III. The simpler DPO would apply to operations harvesting up to 200 cords/year without building roads. The simpler form would emphasize mapped information rather than narratives. The draft doesn't include variation information – there are few requests for riparian variations in low-value timber. It may be appropriate to change regulations to allow landowners to submit the DPO rather than the individual operators. DOF will review the rough draft with Tanana Chiefs Conference (TCC), consultant Claire Doig, DEC, and ADF&G.

DOF, in cooperation with TCC, intends to do training on DPOs and identification of fish streams. Inspections will be difficult due to the logistics in the remote villages. DOF has not yet discussed stream identification with ADF&G. Stark: many of the fish streams are not yet identified in these areas. Who's on the hook when someone logs up to a fish stream? Eleazer: if there's a riparian violation, DOF typically charges all responsible parties – land and timber owners and operators – while investigating the issues. Nichols: if fish are in the stream, they continue until there's a barrier. FRPA implementation and enforcement will be a challenge for all the agencies. Kleinhenz recommended that the agencies find ways to streamline the stream mapping. Eleazer: DOF expects mapping will be sketches, and agencies will have to test their accuracy with field inspections and comparison to existing maps. Vinsel: Could agencies give the landowners available maps in advance? The Anadromous Waters Catalog is inadequate in these areas. Eleazer: DOF would like to provide that kind of information if they know about an operation in advance. Some of these communities do not even have internet connection. These entities are different than the large businesses involved in FRPA operations elsewhere.

Nichols: training is key, starting with awareness that FRPA exists and applies. The threshold for FRPA applicability is a commercial harvest of 30 MBF/year. Stark: all the little streams are fish streams, and we are running out of fish on the Yukon. Eleazer noted that most timber harvesting would be conducted without roads in winter. Kleinhenz: the agencies need to stay focused on the FRPA intent to protect fish habitat and water quality. Eleazer: The emphasis needs to be on training and education. This type of operation was not envisioned during the original development of FRPA. Nichols: FRPA may not be well adapted to this type of operation. Cronin: The state may need to look at incentives and education rather than enforcement. Freeman: DOF's emphasis is on prevention through training first, then directives to remediate, and enforcement only when needed. Nichols: chinook declines will force a closer look at fish habitat management which may force tighter enforcement. There are many influences on fish populations, but it's always easiest to target fish habitat for management. Stark: these operations are in known locations – can we do the mapping in advance? Plentovich: AEA is caught up on inventory; the next project is to evaluate harvesting on ongoing projects, including FRPA compliance. Eleazer: DOF is trying to work with likely clients in advance. Glenn Juday (University of Alaska Fairbanks (UAF)): The fire regime is changing, fires are happening further west, and there is potential for additional declines in fish habitat. It would be good to take an overall look at what's going on so that changes are not inappropriately attributed to forest operations.

2013 Compliance monitoring report. Joel Nudelman reported on the results of DOF's compliance monitoring during field inspections (*see handout*). BMPs are rated on a 5 point scale from not implemented when needed (1) to fully compliant (5). There has been steady improvement in regions I and II – BMP averages rarely fall below 4. Region III results have been intermittent. Overall, Region I had an average rating of 4.8 and only 4% of the ratings were lower than 4. Region I activity on private land focused on Afognak and Kodiak islands; some issues were associated with new grader operators in those areas. The only rating less than 4 was for inactive roads, and that was only rated three times. Operators were responsive in fixing issues. DOF training in the coming year will focus on teaching operators to be more proactive on road maintenance. DEC (Kevin Hanley) has participated in Afognak-Kodiak inspections and ADF&G usually participates in inspections in southeast.

Region II had a 4.9 average and only 1.9% of the ratings were less than 4. There were fewer inspections this year due to a decrease in activity, and fewer new operators. Operations were mostly state sales; five were borough sales. There were no problem areas in Region II this year. The 10-year trends show improvement over time.

The Region III average was 4.1 and 20% of the BMP rated lower than 4. The number of inspections increased. Most were state operations; two were on borough land. Timber harvesting BMPs were good. The roads are mainly silt in the Fairbanks area and the roads receive a lot of public use. The road maintenance BMP ratings declined in 2013, reflecting a reduction in road maintenance funding on state land, and timber values are too low to pay for all the maintenance. Nichols noted that private operator must pay to maintain the roads to standards. If roads require too much maintenance the state may need to close them. Nudelman noted that one particular bridge on Cache Creek is problematic – it is too short for the span, and is currently closed. Eleazer: DOF submitted a CIP request to replace this and other bridges using timber receipt funds, and to include funds for infrastructure repair and replacement in a deferred maintenance funding request.

Kleinhenz thanked Nudelman for the detailed tracking of compliance – it is hugely valuable. Is there a check inspection project for the state inspecting its own operations? Nudelman: the contract administrator does the inspections. DOF has made a real effort to ensure that inspectors are consistent through the implementation fieldbook, training, and the road condition surveys. DOF views the state and private operations very consistently, although there isn't a formal process to compare the inspections. Foley: If there is a problem it will show up whether it's a 3.2 or 3.3 and patterns will emerge. Hanley: The implementation fieldbook defines each rating level for each BMP. Stark: You could do quality control by having more than one person rate some operations. Nichols: The cadre of people doing the inspections is small. Nudelman: As a sale progresses, different BMPs apply. DOF inspects every operation, but only the BMPs that are applicable. The score sheets have helped elevate the quality of operations over the years. Maisch: DOF will look at options for more rigorous quality control.

Road condition survey. Nudelman: This summer, DOF will complete surveys of forest roads on all ownerships in the Kenai Borough, including those south of Kachemak Bay. Approximately 282 miles of road exist on the Kenai Peninsula north of Kachemak Bay and in the Tyonek area on seven ownerships. Most roads are in good condition and receive routine

maintenance. Little logging occurred over the last several years, but there are other resources and use. Most areas are quite flat and there are few issues with downstream water quality. DOF has found some rusted culverts and regeneration issues. A lot of the land had reforestation exemptions, and many of the low ratings for regeneration were in exempt areas. The surveys added six new streams to the Anadromous Waters Catalog.

There were 30 fish culverts on the 282 miles of road. Of these, 18 were rated 1 or 2 which provide inadequate fish passage. DOF and ADF&G does upstream habitat surveys above low-rate culverts. Ninilchik Native Association already replaced one of the problem culverts, and it opened up quite a bit of habitat.

Planned for 2014:

- Complete data entry in an on-line database that will be available to the public and will coordinate with the ADF&G database.
- Conduct field surveys on about 60 miles of road around Port Graham, Seldovia, and Nanwalek on Native land. The surveys don't include another 60 miles of roads on Native allotments.
- Finish upstream habitat surveys on the Kenai Peninsula. Additional funding would be needed to do the upstream habitat surveys in the Tyonek area.
- Conduct surveys of the Zero Lake and Willer-Kash roads in the Mat-Su area.

Maisch reported that DOF is working on a further response to Representative Seaton on low-rated culverts in the Kenai area. The Division is researching responsibility for issues on roads that have changed owners or converted to other non-forest uses. One possible funding source for culvert remediation is through the Natural Resource Conservation Service Environmental Quality Improvement Program. Nudelman: the USFWS also has some funding sources.

Nichols: Plastic pipes could have longer lifespans than galvanized pipes, but they aren't approved by ADF&G. You are reaching the lifespan of some of these galvanized pipes. Stark: The problem is that plastic pipes are not rough enough to slow the water adequately.

FRPA budgets and funding.

- Maisch: There is no change to the DOF budget for FRPA implementation in FY15. DOF lost five positions due to declines in oil revenue, but none from the FRPA program. The DOF resources program has a \$5.8 million budget and 45 employees.
- Randy Bates (ADF&G Habitat Division): There are no cuts to the Habitat budget for FRPA this year but there are cuts to other parts of ADF&G. Fieldwork is critical to protection of fish and implementation of FRPA implementation and ADF&G will try hard to maintain an adequate field presence. After several years of prior cuts, the Habitat Division is down to minimal staffing levels to maintain core services; further cuts will have impacts on the resources. The Division has \$6.5 million and 49 employees. The state anticipates further cuts in FY16 because of the decline in oil revenue.
- Kevin Hanley (DEC Water Quality Division) reported historic lows in Section 319 funding (\$350,000). The top priorities are waterbody assessment and restoration projects. Increases in this funding are not going to happen. DEC has one FRPA position in DEC, funded by the Partnership grant with EPA and state matching funds.

2014 LEGISLATION

HB 79/SB 28 - Susitna State Forest/negotiated timber sales. Maisch met with the MatSu Borough last night. The Borough Assembly passed a resolution in support of the Susitna State Forest 6-1. The bill had a hearing in the House Resources Committee, and 16 of 17 testifiers spoke in support of the bill, both businesses and individuals. The sole opposition was from the Alaska Outdoor Council who want to include Habitat classified land in the State Forest. Maisch met with the Council last week, but hasn't heard results from the meeting yet. DNR will propose a Committee Substitute (CS) for the bill that will delete about 70,000 acres east of the Parks Highway in response to Houston and Wasilla concerns for future development needs. Those lands will remain classified for Forestry. The CS will also include a stronger statement about developing access throughout the State Forest. The next step is a hearing on March 21 in the Senate Resources Committee. Maisch showed slides of the revised proposal, and of the winter road DOF is putting in across the Little Susitna River. Eventually there will be an all-season road and bridge in the area. About five miles of winter road has been built this winter; the total distance will be eight miles.

Public comment. There were no public comments.

Region II-III Reforestation standards review. Marty Freeman, DOF Board Liaison, and Jim Durst, ADF&G Habitat Biologist, are co-chairs of the review process. Freeman reported that she and Durst contacted dozens of people in forestry and related fields to help identify candidates for the Reforestation Science & Technical Committee (S&TC). The S&TC includes fifteen people from state and federal agencies, universities, and non-profit organizations (*see handouts*). The co-chairs are working to schedule an initial meeting of the S&TC in April or May. The first meeting will focus on an overview of the process and existing standards, identification of issues, and organizing review of existing literature and unpublished information. The S&TC process will take roughly a year and a half.

The co-chairs will brief the Board regularly throughout the process, and send introductory information and minutes to the public mailing list. All meetings will be open to the public. The S&TC will strive for consensus, and consensus recommendations will be brought to the Board for review. If the S&TC does not reach consensus, the co-chairs will present the different perspectives to the Board for guidance. Recommendations endorsed by the Board will then be reviewed by an Implementation Group of stakeholders and agencies to determine how to apply them in the most practical and effective manner.

Nichols: Will the process consider other species than those currently planted? We need to be sure that the timber is really commercial and that may mean using other species. Freeman: Appropriate species are one of the questions on the table, including non-native species that aren't currently planted operationally.

The focus is on Regions II and III because regeneration is usually abundant in Region I except for Afognak and Kodiak, whereas the challenge in the other regions is ensuring that adequate regeneration occurs. Some of the literature review may have value for Region I lands, especially Afognak and Kodiak, but changes to those regulations would be done through a separate process

Cronin: Could a landowner choose to manage for wildlife habitat and hardwood regeneration rather than white spruce? Freeman – landowners are required to reforest with “commercial species” which include hardwoods as well as spruce.

Trends and conditions of fish habitat. Doug Martin, Martin Environmental, summarized the results of the 20-year study of trends conditions of fish habitat on operations harvested under the modern FRPA and its regulations on private land. The regulations’ goal is adequate protection of fish habitat and water quality. Riparian buffers are based on the width needed to provide a sustainable supply of large woody debris – data showed that 66’ buffers would provide 95% of the available large woody debris (LWD).

Within the study watersheds, harvest levels ranged from zero to clearcuts on 55% of the area. Some areas also had helicopter logging, but helicopter operations harvested just small, scattered patches.

Key findings:

- Windthrow increases stand mortality, and mortality increases are greatest in the outer portion of the buffer strip.
- Windthrow increases wood recruitment to streams.
- The combination of windthrow and harvesting to the edge of the 66’ buffer would retain about 90% of the potential LWD supply.
- The amount of wood in streams increases post-harvest.
- Substrate particle size declines after harvesting. Changes occurred at sites that had the largest particles pre-harvest and increases in LWD which trapped smaller particles. There was no initial decline in the proportion of particles in the particle class for coho spawning gravel; a small (0.5%) decline occurred over the longer term.
- Beavers dammed five sites, creating ponds, storing sediment, and reducing sediment transport.
- Over 20 years in a dozen basins, 11% of the landslides that occurred were management-related; of these only 3 in 18 hit streams, and only one delivered sediment to a salmon stream. A US Forest Service (USFS) study found very similar results. Sediment in the channel is not from landslides. There is no evidence that the decline is due to new sediment – existing sediment is being redistributed within the stream.
- Pool habitat did not change in the initial years post-harvest, but pool density and depth did increase after wood overhanging the streams decayed enough to enter the water column.
- In comparison to other anadromous basins on Sealaska land, the study sites are in the mid-range for the size and length of anadromous habitat. Study sites are representative of the full range of intensity of helicopter harvests, and 80% of the range of clearcut basins. Basins with higher cutting densities are typically very small, and the anadromous reach would have been too short to fit a study reach.
- 80% of the buffer area on anadromous streams is in large and medium timber after harvesting, and another 10% is in small trees. On non-salmon streams, 50% is in medium-large trees, even though buffers are not required – some areas aren’t high value timber, or aren’t operable.

- There was no correlation between road density and substrate size. Roads are typically only used for a few years.

In summary, the study indicates that FRPA is providing adequate protection of fish habitat.

This study didn't look at the quality of spawning habitat, shade and water temperatures, or salmon population responses. New questions include effectiveness of thinning in young, second-growth stands. What sites would benefit most from riparian restoration? Streams in very dense young stands are heavily shaded and productivity declines. What are riparian silvicultural options for site-specific management?

Nichols: Is the USFS considering these metrics in stream restoration projects? Martin: yes, e.g., they are considering adding LWD to streams where all wood was previously removed. The new buzzword is END: "Emulate Natural Disturbance."

Stark: Are you suggesting manipulation of buffers to improve fish habitat? Martin: Management in dense young growth stands that were harvested prior to the FRPA standards would speed thinning and put LWD in streams.

Cronin: Why were buffers first instituted? Stark: In the Lower 48 it the stimulus was increased water temperature and sedimentation. Freeman: FRPA identified 10 stream characteristics needed to ensure adequate protection of fish habitat and water quality. The focus for buffer design was on LWD – buffers that provide LWD also cover the other factors.

Annual reports

- **ADF&G.** Bates reported that ADF&G considers FRPA to be effective protecting fish habitat and water quality from adverse effects of timber harvesting. ADF&G is interested in evaluating impacts from timber harvest on reaches above anadromous streams to determine whether there are significant adverse impacts on downstream anadromous waters. ADF&G would like to work with partners to assess this issue. The question applies to particular areas on private lands where there aren't required retention areas – it doesn't occur everywhere, and landowners voluntarily leave buffers in some areas where they aren't required. Questions include the potential impacts on stream temperature, water quality, LWD supply, and substrate. There are some questions on Afognak, some on Prince of Wales Island, and some in other areas of Southeast.

Kleinhenz said he hasn't clearly seen the evidence of this on the landscape, and data looking at the condition of instream habitat doesn't show significant adverse impacts. He invited ADF&G to make a presentation at the next Board meeting to hear more about why the Board would undertake this. Bates recommended that the effectiveness monitoring working group evaluate this issue. ADF&G doesn't have data but would like to have studies to assess the impact. Some information exists, and ADF&G has not had an opportunity to analyze it at this point. Stark: There's a huge body of evidence out there on this issue. He agrees with going through the effectiveness monitoring working group and volunteered to help identify relevant information. Hanley: Resident fish have the same habitat requirements as anadromous fish. The impacts may be greater to resident fish than anadromous fish. Type C

streams are commonly resident fish habitat. Vinsel: The Interior streams are much longer than those in SE. Resident fish are also used for subsistence. Freeman/Maisch: High-value resident fish streams are already buffered on public and private land in Regions II and III, and resident fish habitat is much more extensive than in Region I. Kleinhenz: This is a valid research question, but the state hasn't funded this research on private land. If this is worth investigating, the state should bring some resources to the table. There will be willing private partners. Nichols: There's so little private harvesting in Region I currently that this will be a bigger issue when we get to the era of more second-growth harvesting in a couple of decades. Martin: We need to identify a benchmark for determining whether there is a significant adverse impact. Maisch: We need to start identifying existing information, while considering the intent of the Act and the balance of economic costs and fish habitat benefits. The Board appreciates ADF&G raising this question.

- **DOF.** Eleazer reported on several items that differed from prior years.
 - FRPA monitoring scores were lower in Region III (80% of ratings >4). The active fire season restricted DOF's ability to do sufficient road maintenance. The Division will catch up this summer.
 - Timber sale volume was low this fiscal year partly because staff were reassigned to work on Tok biomass sale. The calendar year volume sold was similar to recent years (24.8 MMBF).
 - Two old FRPA notices of violation that had been carried over were cleared up.
- **DEC.** Hanley reported that DEC reviewed and commented on all FRPA notifications and state timber sale plans, and participated in Kodiak and Afognak inspections. The focus on Afognak and Kodiak reflects the extent of harvesting and the ability to inspect three different operations in the same trip. DEC continues to believe that FRPA, its regulations, and the USFS BMPs are effective in maintaining water quality; DEC doesn't recommend any changes in the Act at this time.

Mat-Su effectiveness monitoring proposal. Eleazer reported that Jeff and Gay Davis did two years of pre-harvest sampling in the Willer-Kash area in 2007-2008. At the time, large scale harvest and chipping was anticipated. The large operation did not occur, but smaller timber sales have occurred around two sites in the interim, the Willer-Kash road has been extended, and a large flood occurred. DOF proposes to widen the trail enough this summer to reach all the sites by ATV, and resample them in 2015. Davis is willing to do the post-harvest sampling. A road condition survey is also planned for the Willer-Kash road in 2014. The two unharvested sites are planned for harvesting within the next five years.

Effectiveness monitoring working group. Eleazer proposed addressing effectiveness monitoring needs within each region rather than through a single statewide group. He will try to convene initial regional discussions by the end of April with state and federal agencies, Native corporations, non-governmental organizations, the University, and private consultants.

DIVISION OF FORESTRY UPDATES

Northern Southeast Area. Roy Josephson, DOF Area Forester, reported that the Haines timber heyday was in the 1970s-80s with sales of 40-60 MMBF/year to two large mills. Last year DOF sold 13 sales totaling 373 MBF to three mobile dimension mills, and two commercial firewood operators. The mills sell rough-cut lumber locally. DOF has agreements with the University and Mental Health Trust to help manage their lands and administer sales. DOF re-measured inventory plots in 2012-2013. The Division maintains 46 miles of road on the Haines State Forest; bridges are a major maintenance challenge. The Area supplements natural regeneration with planting to meet the five-year time frame for reforestation.

The Haines State Forest (HSF) has an ongoing management operation that has thinned 2,035 acres since 1993, and pruned 382 acres since 2000. Nichols: Why invest in pruning for harvesting on long rotations? Josephson: Harvesting can occur sooner than the listed 120-year rotation.

The HSF is included in the Assisted Migration Adaptation Trial with test plantings of 15 species. The investigators will download weather data annually and growth data every five years.

The HSF also includes popular recreation trails. DPOR manages the Chilkoot recreation site within the State Forest.

DOF is responsible for fire management on one million acres along Lynn Canal. There are 4-5 fires/year. DOF also provides training for emergency firefighters.

Southern Southeast (SSE) Area. Pat Palkovic, Area Forester: The SSE Area offers competitive and negotiated timber sales. DOF uses a Request for Proposal process to award negotiated contracts when there is competitive interest. Proposals are evaluated based on benefits from in-state processing and price. Three new sales were sold in 2013, and four other sales remained active from prior years. There was a focus in 2013 on getting some timber to Viking Lumber when anticipated federal sales were not offered. Seven sales have been issued so far in 2014. The target is to offer 15 to 20 MMBF by fall; that will be challenging due to logistics. DOF is getting close to tapping out the easily accessible timber. The Division received funding to build a road to Vallenar Bay on northern Gravina Island. Challenges include an agreement with the Borough on the log transfer facility (LTF) and a bridge replacement. DOF is also working on providing a new LTF at Edna Bay. Forest practices work on non-state land has slowed. The Area administers the state's log brand and beach log salvage permit programs.

Highlights from other DOF areas. Eleazer:

- The Kenai-Kodiak Area should eliminate the reforestation backlog on state land this year. The Area continues work on reforestation and road maintenance issues on Afognak.
- The Mat-Su Area is building a winter road across the Little Susitna River. The Borough wants to extend the road to the Susitna River because of coal deposits in the western Susitna basin. The Mat-Su timber sale program is active in the Houston and Willer-Kash areas.
- In the Valdez/Copper River Area the Regal Enterprises mill has closed due to workforce issues.

- A lot of timber is being salvaged from the Tok Area, and wood is being trucked to Fairbanks and Glennallen.
- The Delta Area timber sale program is active, and The Mississippi Fire Salvage sale will be offered in the fall (2,500 acres).
- The Fairbanks timber sale program is robust. Road maintenance and bridge repair are needed. The Area is making progress on the reforestation backlog.
- Stark noted ongoing challenges with fuelwood theft on the Tanana Valley State Forest (TVSF) in the Fairbanks Area. He would like to know how much of the Fairbanks wood sold is fuelwood. He would like to see access to burned timber from the Hastings Fire, but DOF has not yet been able to resolve the legal access issues.

DOF Roads update. Eleazer: DOF's two engineers are working on road, bridge, and facility projects for the Division statewide. DOF also hired short-term non-permanent employees working on permits for Edna Bay and Leask Cove, and will hire a part-time, long-term non-permanent professional engineer as needed for specific projects. The DOF engineers are working on the Little Susitna winter road, the Edna Bay LTF and timber access, Vallenar Bay access, a forest infrastructure audit and assessment, and prioritizing maintenance needs.

Forest stewardship program. Eleazer: the Forest Stewardship program provides technical assistance to ANCSA corporations and private, non-industrial forest owners. Forest Stewardship plans are now in place for 5.9 million forested acres owned by 49 ANCSA corporations, and six more plans are in progress. Plans have also been prepared for 829 individual private landowners. Many individual plans focus on mitigating wildland fire hazards. This program is federally-funded through the USFS State and Private Forestry program.

On Native lands, the plans have provided inventory information for biomass projects across Alaska. Alaskan landowners with plans have received \$971,000 for thinning, regeneration, and road culvert replacement through the federal Forest Land Enhancement Program from the USFS State and Private Forestry Program. The Environmental Quality Incentives Program administered by the Natural Resources Conservation Service now funds some of the same activities. Culvert problems identified in the road condition survey are now being included in Forest Stewardship plans to help provide access to funds for remediation.

US Forest Service State and Private Forestry competitive grants also helped fund the Sealaska Trends and Conditions of Fish Habitat study, and develop and provide training for rural forest technicians at Fort Yukon.

Juday – are Forest Stewardship plans available online? Maisch: Not currently; we will look into it.

Forest planning update. Jim Schwarber (DOF planner) reported that

- The Yukon-Tanana Area Plan was signed January 3, 2014; DNR received and adjudicated three requests for reconsideration, and the plan is now in effect. The plan includes recommendations for TVSF additions.
- The TVSF Citizens Advisory Committee successfully recruited and filled all vacant seats. The Cache Creek Road was the major issue at the last meeting.

- The Southeast State Forest Management Plan is underway. Scoping concluded in early March. Commenters raised questions about deer, winter habitat, and multiple use management.
- Schwarber drafted a Susitna State Forest (SuSF) Management Plan conceptual framework to provide information to the Valley delegation. It includes a Citizens Advisory Committee. Juday asked that DOF consider an experimental forest and research natural areas for the SuSF where UAF could start systematic data collection.

Adjourned March 19: 5:28 p.m.

Convened March 20: 8:07 a.m.

Boreal Alaska: Learning, Adaptation, and Production (BAKLAP) update and reforestation studies. Glenn Juday (UAF) reported on spruce budworm (*Choristoneura*) outbreaks. This beetle causes a great deal of forest damage with high economic costs. In recent decades, outbreaks in Alaska resulted in growth reductions below what would have been predicted from temperatures. During outbreaks, the beetles can return to the same trees multiple times and can cause tree mortality. There is a range extension in Alaska – the budworms were not found in central Alaska in the 1980s.

Cold temperatures during overwintering do not control outbreaks once the overwintering cocoon (hibernaculum) is fully developed. The time to complete the hibernaculum is temperature dependent. Warm August temperatures are associated with outbreaks in the succeeding year. Accumulating 818 degree days above 46F allows the insects to develop sufficiently. Interior Alaska is now accumulating those degree days earlier in the year; the weather wasn't suitable for budworms prior to 1989. If the degree days accumulate by July 7, there is a risk of outbreaks the following year. This information can be used to predict outbreaks a year in advance. The lack of warblers that specialize in feeding on budworms in Alaska also indicate that budworm wasn't in Alaska historically.

If this trend continues, white spruce will become less abundant in Alaska's boreal forest due to opportunistic insect attacks on weakened trees. Long-term plots from research natural areas indicate that this trend is already occurring. The biome appears to be shifting westward in boreal Alaska – growth rates are decreasing in central Alaska, and increasing further west where summers are cooler and warmer. Insect control during outbreaks comes from the insects starving after they deplete their food source rather than by predators and pathogens. Juday is also studying aspen leaf miner.

UAF forestry program. Steve Sparrow (UAF Acting Dean, School of Natural Resources and Agricultural Sciences) -- The university has revised their degree, and hope to use it to rebuild the programs in forestry and agriculture. It will be in use starting in the fall of 2014. Yarie has led development of a minor in forestry. UAF hopes to get it accredited by SAF and use it to gauge interest in forestry. UAF has had more interest in forestry in the past years than in prior years. The other key question is the availability of jobs.

UAF is talking with the University of Alaska Southeast (UAS) about options to strengthen the forestry program. UAS has one forest ecologist. UAF would like to work with them to make the case for more forestry faculty in Alaska. The university branches need to develop stronger working relationships in research, and increase work with graduate students. The UAS faculty forester is now on a graduate committee with UAF faculty. There may be opportunities to have undergraduates spend some of their college time in both the coastal and boreal forests.

UAF has not yet discussed the idea of developing a boreal forest research center. Maisch: There is an immediate need for applied research. For example, we can see real applications for Juday's budworm research. DOF wants to expand permanent plots in the State Forest in conjunction with the US Forest Service, and there would be opportunities to collaborate with the university.

Sparrow: Tom Malone is retiring soon, but his position will be refilled.

Cronin: Recommended considering the intense emphasis on multiple use. Forestry is being impeded by wildlife and other concerns. Foresters need to be in the mix on multiple use decisions.

Vinsel: There may be opportunities for internships and collaboration with forestry agencies.

Nichols: Regarding jobs, the aging current workforce will leave a big gap – as older workers retire, there will be a gap in experience and knowledge. We need people in the timber industry as well as government agencies. [Note: There were problems with the phone transmission at this point.]

Stark: UAS and UAF emphasize management, but what we really need is more people with vocational training that know what they're doing in the field.

FEDERAL-STATE PROCESSES

Sealaska entitlement legislation update. Brian Kleinhenz (Sealaska) reported that 70,000 acres remain in Sealaska's land entitlement. Bills are pending in the federal House and Senate and await floor votes. There is support from both parties and the administration; major issues are resolved. He can't predict when votes will occur – the Sealaska bill may be rolled in with other land bills at some point. Sealaska is ramping harvest down to 35-40 MMBF/year -- the lowest since their startup year in 1980 – and expects further decreases next year. Sealaska is about 15 years away from significant second growth and needs to fill the fiber supply gap until then. Second growth opportunities look positive for the future.

Mental Health Trust (MHT) exchange legislation update. Paul Slenkamp (MHT Senior land manager):

- MHT is continuing its small sales program in the Fairbanks, Mat-Su, and Southeast areas. DOF administers the sales under an agreement with the Trust. So far biomass sales aren't generating significant revenue.
- Large timber sales are underway at Kasaan in primarily second growth, and at Wrangell. MHT sales are sold by competitive bid. The contractor negotiated an alternative entry to the

sale that mitigated the concerns of Wrangell residents. There has been little negative feedback since. The Trust is working with the USFS on road issues on that sale. These sales were purchased primarily for export, but there are opportunities for local wood users to purchase wood for niches as it moves through the sort yard. Vinsel noted growing local markets for wooden boat repair and guitars.

- The Trust met with the timber collaborative group which includes DOF, the University, and the DNR Division of Mining, Land, and Water on meeting and maintaining Southeast infrastructure needs. Lack of adequate infrastructure will degrade the MHT assets. The participants are looking at coordinating sales and infrastructure development.
- The USFS has been very cooperative in working on the MHT exchange. The feasibility analysis is done except for the appraisal. The parties are waiting for the USFS to hire an appraisal supervisor. The supervisor has to approve that the exchange is an equal-value exchange, and needs to be involved throughout the appraisal process.
- HB77, currently in the legislature, has key components that streamline the state land exchange process. It will be hard to do the state and federal processes simultaneously without changes.

Roadless Rule update. Tom Lenhart (Assistant Attorney General) reported that the 9th Circuit Court heard oral arguments on the state's appeal on the Tongass exemption to the Roadless Rule appeal 19 months ago, but has not yet issued a decision. This is an amazingly long time for a decision. The state just has to wait for the three-judge panel to rule.

The state's challenge to the Roadless Rule in the D.C. District Court was dismissed based on the statute of limitations. Alaska argued that the limit shouldn't apply because the Roadless rule wasn't in effect for most of the appeal period. The state appealed the statute of limitations questions. Circuit courts are split on how to apply the statute. This case could wind up in the Supreme Court. A near-term decision is unlikely.

Nichols: As we wait for decisions, the default application of the rule is stifling economic activity in Southeast, not just for timber.

Cronin: Do states and boroughs have the same powers as the federal branch for protecting health, safety, and welfare? Lenhart –there are several high-profile cases on those issues currently in progress. It will be the federal courts that have the final decision on these cases. A lot of existing federal law supports that process. The US Supreme Court trumps the state courts.

Federal Farm Bill. (*See handout*) Maisch: The 2014 Farm Bill

- Reauthorizes the Community Wood Energy program and extends stewardship contracting authority for the USFS.
- Includes Interior Alaska in the USFS Forest Inventory and Analysis program; some plots will be in the TVSF.
- Allows states to nominate forest health and restoration treatment areas that the USFS must approve. Alaska has identified parcels in the Chugach (fire) and Tongass (cedar decline) national forests. Restoration would receive categorical exclusions under the National Environmental Policy Act (NEPA).

- Retains the silvicultural exemption for permitting for culverts on forest roads – this codifies EPAs current approach.

Tongass plan advisory committee. Forrest Cole (USFS Tongass Forest Supervisor): The 2008 Tongass Forest Plan revision was completed in 17 months. The Roadless Rule was then imposed on Tongass which affects about half the timber identified as available in the plan. The plan included old-growth harvesting for the near-term with a transition to young-growth harvests in about 30 years as stands mature. The USFS Chief is pushing for a faster transition to young-growth management. The USFS has agreed to work with a formal advisory committee to come up with an alternative for a new forest plan amendment heavy on young-growth management that will be different from “cut it all” or “don’t cut any” alternatives. The plan is to call for comments this spring, issue a draft by August 2015, and have a new Record of Decision by 2016. Cole hopes that the amendment will be narrowly focused in order to meet this time frame.

The USFS received about 80 applications for the advisory committee. TNF forward 30 names and five alternates to the USDA Secretary. Participants will include state, Native, environmental, and other interests. There will be 15 seats.

Vinsel reminded Cole of the economic importance of commercial fishing within the Tongass and asked that fisheries be taken into account in selecting names – UFA forwarded a nomination. Fish are one of the biggest products of the forest, even if timber harvesting increases. The recreational value of the fishery is only part of the importance of fish. Cole: The Tongass recognizes salmon’s importance, and he noted that fish have been well-protected by the Tongass plans. Fish protection is of primary importance, for all fish uses.

Nichols: There is a huge amount of young-growth coming on line. In the interim we can’t lose timber knowledge and the infrastructure base. What happens if we don’t treat the young growth in terms of wildlife habitat and other impacts? In 1988, 80,000 acres of Detailed Plans of Operation were submitted on private land. There will be a lot of forest that will need treatment to maintain deer habitat and subsistence. Cole: The USDA Secretary has made a commitment to maintain the timber industry –the USFS doesn’t want to lose it before young-growth comes on line. In 15 years, 15,000 – 20,000 acres will come on line. The Tongass is currently harvesting about 3-4000 ac/yr, and doing pre-commercial thinning on 6000 ac/yr. The USFS can’t afford to treat young-growth non-commercially to maintain habitat. There’s only 2,500 ac that would be economical today; there will be 50,000 acres in 20 years.

Cole: The USFS intent for the Tongass has been to transition to young-growth since the initial 1979 plan. The agency needs to relax the culmination of mean annual increment requirement to move in that direction quickly. Young-growth management has been the management goal because of the needs of other species and the need to retain some old growth. Young-growth management is also more efficient.

State Tongass projects update. Clarence Clark (DOF Special Asst. to State Forester) addressed young-growth management: How big should a young-growth timber industry be to address wildlife issues and maintain a timber industry? About 440,000 acres have been harvested in the Tongass National Forest (and 746,000 acres across all ownerships) and are now young-growth

stands, mostly 20 to 50 years old. Canopy closure, stem exclusion, loss of understory plants, and slowed timber growth continue from about 15-25 years after harvest until the stands are 120-150 years old. The understory is critical for deer habitat. Commercial thinning can help improve wildlife habitat by interrupting stem exclusion after 60-90 years. The average cost of pre-commercial thinning on the Tongass is \$6,000/acre.

The Tongass will need to commercially thin about 11,000 acres/year starting in 2030. There's about 20MMBF/ac in these stands, and half would be removed – that would generate about 110MMBF per year. The agencies need to figure out how to do this economically.

Pulp mills are not feasible in Alaska because of the volume needed, facility costs, and permitting. A future industry would be built from multiple small- to medium-size processors. Stark: If the emphasis is not on mega-processing facilities, there is less environmental resistance.

Kyle Moselle (OPMP, State Tongass Team leader): The team coordinates state comments on Tongass activities. The Luck Creek restoration process is testing the new NEPA appeal process. The State and the USFS are renewing the framework memorandum of understanding (MOU) for Tongass implementation and consolidating three existing MOUs into one. The State is commenting on mining exploration activities on the Tongass. Most of the actions are categorical exclusions under NEPA; the State supports the exclusions. The Greens Creek mine is a living example of how state-federal coordination can create revenue. Planning is underway for the Saddle Lakes timber sale.

Timber Jobs Task Force implementation. Freeman summarized activities to implement Task Force recommendations since the November Board meeting (*see handout*). In addition, Senator Stedman introduced Senate Concurrent Resolution 2 encouraging the Governor to acquire more state land in the Tongass. The Resolution passed out of Senate Judiciary Committee and was sent to the Senate Rules Committee.

Wolves and the Endangered Species Act (ESA). Cronin: Gray wolves in the Northern Rockies were delisted under ESA in 2012 after achieving recovery objectives. It took a congressional bill to delist the wolf because the courts kept reversing US Fish and Wildlife Service (USFWS) delisting decisions. The USFWS has now issued a decision to delist the timber wolf nationwide but they simultaneously determined that the eastern timber wolf is a separate species, and the Mexican wolf is a separate subspecies. The decision received millions of comments. The scientific peer review said that the science on the genetics and taxonomy of the species was poor – the decision to split off new species was wrong and unprofessional. There is a petition to name the Alexander Archipelago wolf as a subspecies. The USFWS hasn't yet issued a decision on the petition. Cronin said that the genetic information does not merit a determination that it is a subspecies. An ESA listing should require a determination that the species will go extinct. ESA listings affect private as well as public land. ESA listings can be issued for species, subspecies, or distinct population segment. A distinct population can be based on geography without genetic differentiation. It is appropriate to manage at the population level; that doesn't mean it should invoke ESA requirements.

Southeast Conference (SEC) review of Tongass conservation and management. Shelly Wright (SEC Executive Director) presented the SEC alternative forest management strategies for the Tongass (*see handouts*). The alternatives address the whole forest, multiple uses, and a triple bottom line that considers sustainability for the environment, economy, and community. Wright said that there is enough land for all – wildlife, jobs, and communities. This approach doesn't subdivide the Tongass for different designated uses – it's not a land grab by competing interests. All uses are managed across the whole forest with longer rotations on a bigger land base; the locations of activities vary at different times. This is important to do now to enable people to stay in Alaska. It will take time to implement changes. This approach looks at the land base over centuries. Rules apply across the whole land base. There is active management and monitoring. It allows change over time across the landscape.

This strategy and the D.R. Systems options model is currently being used on private lands in British Columbia, Alberta, and Saskatchewan. The barriers are politics and money; it takes a paradigm shift. The strategy requires an intricate inventory. Private, state, and federal land managers all need to be on board. SEC is just starting outreach to develop support and develop additional alternatives. SEC hopes to present this approach to the advisory committee for the Tongass forest plan revision. The environmental response to date is that the data has to be right before they can buy in. They are skeptical because of SEC's interest in economic development. SEC is willing to incorporate their data and show them how it can work.

Kleinhenz: the important part is the big idea that you can move needs around the landscape over time rather than establishing long-term set-asides for individual uses. The more the proposal looks like a NEPA finding and uses specific examples, the more it weakens the big idea. The USFS will write the next EIS. The emphasis should be on the big idea, which is good.

Slenkamp: the main concept is that the same site can provide different functions over time.

Stark: If everything is shared, how do you deal with Admiralty Island? Wright: It wouldn't change the Admiralty wilderness. You have to have some rules and work within them. Nichols: even Admiralty had a lot of historical logging – our time frames are short.

DNR Commissioner. Joe Balash (DNR Commissioner) thanked the Board and noted the recognition it has earned for its FRPA work over the years. DNR is trying to open up opportunities, e.g., in Mat-Su with the Susitna State Forest; the Mat-Su Borough Assembly's endorsement helps.

Cronin: Reduced state budgets are trickling down to agencies as oil revenue declines. Oil production is important to other resources, and to the ability to manage them. Balash: Alaska is the only state that hasn't seen an increase in production over the last decade. Some of the technology that is increasing production elsewhere was pioneered here. Investment has increased here more slowly than elsewhere. The current tax structure is fair for legacy oil and attractive for investment in new oil. Alaska is starting to see responses from the oil industry. Prudhoe has 3 billion barrels of proven reserves. It takes 100,000 barrels/day of production to support the infrastructure. The rate of decline in production has accelerated in recent years. At the current rate of decline, Prudhoe would shut down at the end of the 2020s rather than the 2040s, which would be a difference of about one billion barrels and the associated revenue to the

state. If infrastructure for natural gas can be installed, it changes the economics for exploration. Exploration is essential to increasing production. Balash expects more budget tightening in coming years.

Nichols: Alaska has good markets for its wood. As we move to second-growth the product becomes more of a commodity with different competitors. Economic feasibility for timber depends on infrastructure, and state help is needed, mostly for roads. If we don't get more state land in Southeast, the state will need to consolidate its landholdings to make them more manageable. We need to look more at long-term management on these lands. The timber industry provides good year-round, well-paying employment that is needed in rural Alaska. When those jobs are lost, the state bears the social costs. Balash: The State worked hard with the USFS to develop a transition to second-growth that could preserve the industry in the last Tongass Forest Plan. It feels like the USFS hasn't kept their end of the bargain. Nichols: Alaska needs a road link to move goods in and out of Southeast Alaska to reduce costs. Nichols encouraged efforts through Roads to Resources and other avenues to take a broad view of transportation needs. Stark: Every bit of Roads to Resources work helps with access in the Interior; the roads are small but important. Wright: Alaska needs to grow the relationship with the Prince Rupert transportation hub. Balash: State tidelands are important in the links to coastal communities.

Slenkamp: The MHT is working with DNR and others to maintain infrastructure in Southeast Alaska. There are interim periods between use of facilities, and LTFs and other facilities need to be retained during those periods. HB77 has provisions that could help with land exchanges and lease extensions. Vinsel: The HB 77 provisions for land exchanges aren't controversial. Some other provisions are generating controversies, many from fishermen. Is there consideration of dropping the controversial provisions and moving forward with those that could help the Trust land exchange? Balash: The prognosis for HB77 is unclear. There are advocates for each of the five categories of provisions in the bill. There is not a dynamic for splitting the bill at this time.

New Business II

State of Alaska consideration of 404 permit assumption. Michelle Hale (DEC Director of Water): The Clean Water Act (CWA) allows states to assume the 404 permit program. SB27 passed in 2013 giving DEC and DNR authority to develop and implement a 404 permit program, and funding to start that work. Section 404 permits regulate construction and fill in waters of the U.S., including associated wetlands. The definition of "waters of the U.S." is currently unclear; federal rule-making is underway. Currently, the state just certifies whether or not waters meet the state water quality standards.

Alaska has 65% of the wetlands in the US and wetlands cover 43% of Alaska's surface area. There is potential for Alaska to use more of the flexibility allowed in the CWA, explore mitigation options, and improve processes and consistency. A state program could take advantage of opportunities to coordinate 404 permits with other required permitting. State regulations can be broader than federal regulations, but must cover all the activities that require a federal permit. The State would intend to maximize flexibility while protecting the environment.

The State could assume authority for some navigable waters and adjacent wetlands. The State wants a stringent definition of “adjacent,” and EPA has so far agreed. DEC and DNR are working to define what waters the state could assume. This information will feed into the cost-benefit analysis. The agencies will submit a report to the legislature in January 2015, with the potential to submit an application EPA in 2017. However, the House Finance subcommittee cut the entire 404 permitting budget for FY15; the Senate Finance Committee made smaller cuts. The budget outcome will affect the time frame. It would be great for Alaska to run the program, but it wouldn't be free – the federal government doesn't provide funding. DEC is also advising EPA on how to make the existing program more efficient.

Nichols: Permitting is currently so difficult that it is blocking development, and mitigation banking is locking up additional land. It's gone beyond the initial intent.

Cronin: Have there been efforts to assert that these regulations are a taking and landowners should be compensated? Hale: There have been court cases on this issue and they haven't been very successful. Moselle: Decisions to put land into easements are willingly made by a private landowner who is paid by company proposing development. Foley: The Corps has a system of priorities for mitigation, and the preferred option is mitigation banking, which cannot include public land. Currently mitigation has to be within a designated hydrologic unit that may have little private land. The Corps doesn't have the manpower to implement the Act as is, without getting creative on mitigation.

DCCED forestry-related marketing and research. Nicole Grewe and (DCCED Development Manager) and Mali Abrahamson (DCCED Natural Resource Development Specialist) from the Division of Economic Development updated the Board on DCCED activities. DCCED

- Is updating and upgrading promotional materials, including those for forestry. They will produce a new brochure for forest products, and will ask for industry input on content. An online effort parallels the print effort, e.g., Alaska Loyal for buying Alaskan products.
- Is using a Made in Alaska Home at the Alaska trade show showcasing products that can be used to build and use a house.
- Is working with a builder to construct a home in Anchorage that can be used for open houses to demonstrate Alaska products. Construction will start this summer. Eventually the home will be sold.
- Developed a homebuilding product directory for Alaskan products.
- Is working with SEC and others to develop a messaging campaign for the forest product industry. It will emphasize the idea that Alaska manages its land well and sustainably.
- Is researching market potential for new products, especially small diameter logs.
- Provides business assistance to forest businesses.
- Will repeat the business and retention survey in the interior, probably in the coming winter.

Grewe noted that Alaska now offers a micro-loan program for small businesses with favorable terms. This fills a void in the state's financing portfolio.

Didn't refill Cassie Pinkel's position. Grewe, Abrahamson, and Gretchen Fauske (Anchorage) contribute to forestry work.

Nichols said he doesn't need the government to market his logs. He does need messaging on sustainability and job availability for qualified timber workers, and suggested advertising on Alaska reality shows. Stark: Some of the marketing material images conflict with people's image of Alaska as a pristine state. Vinsel: Niche products for things like music wood are a good introduction to Alaska wood products. Grewe said she will work with the industry and others to develop the right messages. Nicolls: It's good to have professionals in this process rather than to assume people will react negatively to forest management, even clearcuts. Foley: Participation in Canadian trade shows has been great for Alaska.

NRCS forestry projects in Southeast Alaska. Samia Savell (NRCS): NRCS provides technical assistance to landowners and cost-share programs, particularly the EQIP program. NRCS projects in Southeast have included watershed councils, fish passage, wetland enhancement, riparian improvement, agricultural projects, and second-growth forest management. Landowners have contracted for more than 45,000 acres of second-growth treatments on Native, MHT, and State land since 2006. NRCS provides consulting services for landowners. Treatments provide long-term silviculture benefits and short-term benefits for wildlife, recreation, and aesthetics. Examples follow.

- Yakutat: Watershed rehabilitation project for Ophir Creek, including fish habitat improvement, road closure, thinning, and water quality monitoring. Partnered with the Yakutat Salmon Board, USFWS, USFS, US Geological Survey, Yak-tat Kwaan, and MHT.
- Kake: Sealaska did pre-commercial thinning and got US Department of Agriculture organic certification for their forest land. Blueberries from the land sold in Kake for \$3.10/pound, and were resold to southcentral businesses for health products, pharmaceuticals, and wine.
- Craig: Shaan-Seet conducted pre-commercial thinning on over 7,000 acres in collaboration with The Nature Conservancy. The corporation then managed thinning projects on other Native village corporation lands.

In Alaska, the soil and water conservation districts (SWCDs) are part of a 501(c) (3) nonprofit that has to acquire their own funds.

Maisch: NRCS and USFS cost-share programs for assistance to forest landowners were combined into the EQIP program under NRCS which is funded through the Farm Bill. There is a national MOU allowing Forest Stewardship plans prepared by DOF foresters to qualify for the required plan to enable a landowner to participate in EQIP cost-sharing.

Kleinhenz: Savell and NRCS have worked with landowners to double the amount of pre-commercial thinning in southeast. Maisch: collaboration is improving.

National Forest Jobs and Management Act (S1966). The bill has the potential to make changes in management of national forest land. It would streamline some NEPA issues and litigation. It is generating discussion in earnest of national forest management issues, and there is bipartisan interest in addressing the issues.

Annual BOF report to the Governor. The Board would like to include the following items in the annual report.

- Overall effectiveness of the Act and regulations is good.

- DOF must improve the road maintenance in Region III.
- Trends: Declining DPOs indicate ongoing Southeast difficulties; wood energy is expanding in the interior; a “Wall of Wood” is coming up in 15-20 years as young-growth matures and it’s important to prepare for it. Young-growth issues include markets, processing, workforce, and wildlife habitat.
- Need for FRPA implementation in remote areas and need for training to help support continued expansion of renewable wood energy in Alaska; need to ID fish habitat
- Needed changes: Reforestation standards update in Regions II-III.
- Research and monitoring needs:
 - Road condition surveys: The surveys identified some problem culverts. The agencies need to continue the surveys, provide information to funders and landowners, and identify priorities for remediation based on upstream habitat.
 - Interaction of second growth and wildlife management treatment is needed to maintain habitat. This issue parallel the increased fire hazard in western states due to lack of natural fire and forest management:
 - Support efforts to improve the UA forestry program – improve links between the research institution and practicing agencies; provide training that produces employable graduates – need professional and practical, technical education trained to address emerging issues and opportunities. Alaska needs forest research tailored to applied needs and identification of approaching changes
 - ADF&G issue on headwaters and downstream impacts referred to effectiveness monitoring working group.
- Timber Jobs Task Force – agencies continuing to work on implementation, and attach update to the Board report. The Board continues to support the Task Force recommendations, including those for expanding the State Forest system.
- Federal-state processes
 - Need good people on the federal advisory committee for the Tongass plan update
 - Acknowledge SEC presentation alternative approach to Tongass plan; encourage continued consideration of this and other innovative approaches.
 - Thank the Governor for state involvement in federal processes and recommend continued involvement.
- S&PF Forest Stewardship program benefits forest owners
- State/UA/MHT cooperation on infrastructure management is beneficial. Local/state cooperation is also needed (e.g., Cache Creek and Gravina road issues with Boroughs). The Roads to Resources initiative is important, as is the DOF roads office.
- The State should continue to explore primacy on 404 permitting – there is potential for benefits to the timber sector.

Juday recommended consolidating comments on research into a letter to the UAF chancellor. Nicolls – also noted the importance of UAS/UAF collaboration. Cronin suggested more opportunities for UAF student interns at DOF.

Next meeting date. Kodiak: August 13-15, 2014

Agenda items.

- Budget
- Legislation
- Region II-III reforestation
- Rural DPO
- Wood Energy updates
- Effectiveness monitoring working group
- Update on headwater stream research issue
- Federal-state processes; FACA group
- SESF Management Plan update
- 404 permit assumption update
- BAKLAP/Research NAs
- DOF updates (include some coop forestry)
- Community Forestry program
- Kodiak field trip: active operations, grass, reforestation; overview of Kodiak area operations.

Board comments.

- Vinsel: meaty presentations (Juday, Cole, Lenhart, Balash – high-level people); Haines presentation. Always learn a lot.
- Nicolls: Enjoyed the diversity of presentations. State SAF meeting in Juneau May 14-17 including field trip to Hoonah.
- Foley: Thanks to presenters and Eleazer.
- Nichols: We know about the upcoming second-growth issue. It will push both the environmental and forest management sides and force changes. Getting the infrastructure and workforce in place to handle the big numbers that are coming.
- McLarnon: Good variety of presentations and Eleazer. Tongass planning has been influenced by TNC and SEC could be similarly influential.
- Maisch: The Senate Resources Committee will consider the Susitna State Forest bill on Friday, and will take public testimony.

Adjourn Day 2 - 4:40 p.m.

Attendees

- Joe Balash, DNR
- Randy Bates, ADF&G
- Dave Beebe (teleconf.-Petersburg)
- Clarence Clark, DOF
- Forrest Cole, USFS-Tongass NF
- Jim Eleazer, DOF
- Marty Freeman, DOF
- Tom Gemmell, United SE AK
Gillnetters
- Nicole Grewe, DCCED
- Michelle Hale, DEC
- Kevin Hanley, DEC
- Dave Harris, USFS
- Zaz Hollander, Anch. Daily News
- Roy Josephson, DOF
- Glenn Juday, UAF
- Patrick Kelly, UA Land Management
- Tom Lenhart, AGO
- Doug Martin, Martin Environmental
- Kevin Meany, DOF (teleconf.-Fbx)
- Katie Moritz, Juneau Empire
- Kyle Moselle, DNR-OPMP
- Joel Nudelman, DOF
- Pat Palkovic, DOF

- Devany Plentovich, AEA
- KT Pyne, DOF (teleconf.-Fbx)
- Mike Reggear, DOF (teleconf.-Fbx)
- Jim Schwarber, DOF
- Paul Slenkamp, Mental Health Trust
- Samia Savell, NRCS
- Steve Sparrow, UAF
- Ed Wood (teleconf. – Petersburg)
- Shelly Wright, SE Conference

Handouts

- Agenda (revised)
- Public notice
- November 12-13, 2013 Board of Forestry minutes
- EPA Residential Wood Heaters New Source Performance Standards (NSPS) Proposal – General Overview. Webinar for State, Tribal, and Local Agencies. Feb. 18, 2014.
- Overview of Region II-III reforestation standards review, September 2013
- Region II-III Reforestation Standards Review – Science & Technical Committee, March 17, 2014
- Forestry-Fisheries Sustainability: What Progress Have We Made? Announcement for Special Session of the Alaska Chapter-American Fisheries Society Annual Meeting, Oct 20-24, 2014
- Update of Alaska Timber Jobs Task Force Recommendations and Status
- Senate Concurrent Resolution No. 2 – Urging the governor to acquire land in the Tongass National Forest from the U.S. government
- Southeast Conference: Alternative Management Strategies for the Tongass National Forest – Modeling Results. November 30, 2013. D.R. Systems NW.
- Southeast Conference: A Discussion of an example of the Triple-Bottom-Line Management Strategy Approach on the Tongass National Forest. Feb. 4, 2013. D.R. Systems NW
- DOF 2012 Annual Report
- National Association of State Foresters 2014 Farm Bill Crosswalk. Feb. 4, 2014
- National Forest Jobs and Management Act of 2014 (S1966)
- National Association of State Foresters Media Release: State foresters encouraged by Senate Energy and Natural Resources forestry hearing. Feb. 6, 2014