

Minutes: Board of Forestry In-Person Meeting

Tuesday, August 1, 2023: 8am – 1:30pm

Meeting location: The Landing Hotel, 3434 Tongass Ave, Ketchikan | Online via Zoom

Call to Order and Roll Call.

Helge Eng, State Forester, called the meeting to order at 8:00 am. The meeting was chaired at the Landing Hotel (3434 Tongass Ave, Ketchikan). The public notice included connection information for anyone to call in or connect via Zoom.

Present (in-person):

Helge Eng, Brian Kovol, Nathan Lojewski, Denise Herzog, Eric Nichols, Bill Morris, Alison Arians (DOF), Trevor Fulton (DOF), Greg Staunton (DOF), Sheila Spores (USFS), Christine Klein (AFA), Clarence Clark (AFA), Robert Venables (Southeast Conference), Rep. Dan Ortiz

Present telephonically:

Mike Post, Jeremy Douse (DOF), Ashley List (DOF), Dianne Campbell (DOF), Dub Evans (DOF), Ben Mulligan (DF&G), Brie Darr (USFS), Clint Kolarich (USFS), Emma Vakili (USFS), Greg Albrecht (DF&G), Heather Bauscher, Joe Young, Karen Peterson (Southeast Conference), Priscilla Morris (USFS), Kate Kanouse (DF&G), Katie Rooks (SEACC), Mike Cooney (DOF), Nick Reynolds (USFS), Terri Lomax (DEC), Thad Adkins (DOL), Tom Cheney (DOF), Alaska's News Source, Elizabeth Fernandez, Jeff Hermanns (MHTLO), Jean Daniels (USFS), Jorge Enriquez (USFS), M. Shephard, Maranda Hamme (SEACC), Pat Palkovic (DOF), Ross Dorendorf, Teigan Akagi, Dawn Anderson (Mayor, Whale Pass)

Introduction of new Board members

Helge Eng: With Russ Byerly's resignation, we now have two open seats, Commercial Fisheries and Recreation. We were hoping to have new appointees from Board & Commissions by this meeting, but that hasn't happened yet.

Review of public meeting notice and agenda

Agenda changes

- Move discussion of next meeting to earlier in the agenda
- Terri Lomax will be providing DEC's update in lieu of Brock Tabor
- Jeremy Douse will be providing the update for both DOF Northern and Coastal regions

Approval of minutes from previous meeting

Helge Eng asked that approval of minutes be deferred to a future meeting, due to the current inability to meet quorum. He encouraged members to review the minutes and suggest any changes in the meantime.

Announcements

Eric Nichols welcomed everyone to Ketchikan and thanked the board for having the in-person meeting here.

Introduction of guests

- Christine Kline (AFA) introduced herself and thanked the board for being in Ketchikan
- Rep. Dan Ortiz introduced himself and remarked on how he has been a benefactor of the timber industry in Ketchikan

Funding, Legislation, and Regulations.

Agency Budgets and Legislation

Ben Mulligan, ADF&G

- Noted few changes in terms of personnel that would impact BOF
- \$50K increment for Habitat Section travel budget
- Looking ahead to FY25 budget, too early to tell
- Legislation: possible changes to special area legal boundary descriptions next session
- Question from the audience: Is F&G keeping track of endangered species listing of wolves in Southeast? Ben said a report from US Fish & Wildlife should be forthcoming this month and he will share details when it becomes available.

Terri Lomax, DEC

Terri Lomax, program manager for water quality. Supreme Court decision on Waters of the United States has far-reaching implications for DEC and they are still analyzing what that means for the Department in terms of funding and responsibilities. May impact DEC's ability to participate/support the BOF.

DEC did not receive primacy of wetlands fill and dredge/CWA 404 program through legislation this session, but the Supreme Court decision may have given them that permission, but without funding and they are still assessing what that means for the department.

DEC anticipates that Tier 3 waters and cruise ship legislation will be resubmitted and reevaluated in the next session.

Eric Nichols asked about impacts of Supreme Court wetlands decision on forestry activities and what that changes in terms of wetlands and connectivity? Terri replied that there is a lot of discussion and differing opinions on what the decision means, but it does talk about removing the significant nexus clause and looking at a direct surface connection, but there is likely to be additional court battles. The decision focuses on wetlands but also includes tributaries and upstream waters as well. EPA is currently working on a "rapid rule" that is anticipated to come out September 1 but will not include public or agency comments. Everyone, including US Army Corps of Engineers is working off of status quo until this new rule comes out.

Helge Eng, DOF

Agency budgets are in process and DOF will keep you posted on requests for changes to both the Forestry and the Fire Protection sides of the division.

Jeremy Douse provided an update on SB 87 (local use lumber program). The bill has yet to be transmitted to the Governor, and it can't be implemented until it's been signed. Working on a resources sharing agreement with the University to develop a training program. Working with the University to develop a wood utilization specialist that will be overseeing the program. It will be a University position. Working on a draft of the grading handbook for training. Helge asked for a little background on the bill and how the training aspect is going to work. Jeremy said the intent is to open up some residential construction markets to small mill operators. It's expensive and difficult for small mills to get into a grade stamped lumber program such as the Western Wood Products Association. SB 87 was modeled on Wisconsin's local lumber use program. Thought it would be a particularly good fit for rural and remote communities due to shipping cost savings.

Eric Nichols suggested focusing on barriers to entering new markets and looking at ways to create a preferential use for local lumber in government projects. Jeremy recognized that that could be a good next step.

Helge provided a summary and update on SB 48, which establishes a carbon offset program within DNR. Not intended to replace or compete with the timber industry but rather to complement it – we have more than enough acreage to do both. Projects would involve protocols ranging from reforestation to improved forest management, including reducing harvest intensity to setting aside timber stands. We anticipate the program being located on state forests. We are working on regulations with other agencies and revising forest management plans to allow carbon offset projects. Noted the Best Interest Finding process that projects would be subject to and that this would be an opportunity for timber interests to voice any concerns and for DNR to consider and respond to those concerns.

Eric Nichols asked about reduction of harvest and how IFM/reforestation/pre-commercial thinning projects might improve carbon stocks/storage. Helge said that he believed those would qualify but noted that it often takes up to 20 years for reforestation projects to show a return on investment but that there are efforts to revise those protocols to reduce the amount of time it takes to generate revenue. Helge mentioned avoided wildfire credits available in Lower 48 but not yet Alaska. Nathan Lojewski said PCT with IFM generally requires a certain inventory of carbon, so you can still commercially harvest or thin as long as you maintain that carbon on the landscape. Registry likely won't record your thinning unless it greatly increases carbon storage. Eric emphasized how PCT could capture more carbon and asked if you could be rewarded for PCT work today that wouldn't be realized for 20+ years. Nathan said he wasn't aware of a protocol that does that currently, but a new protocol could be developed. Nathan noted NRDC grants for PCT activities and how maybe there's an opportunity for someone with deep pockets to make an investment in PCT and then 10-20 years later reap the rewards. Eric emphasized the difference between PCT young growth and non-PCT young growth and that the former is storing much more carbon. Denise Herzog commented on multiple uses and how mineral closures could be a result of carbon offset projects. Brian Kovol asked when state forest management plan drafts might be available for review. Helge said Ashley List could provide more detail, but that Tanana Valley State Forest would be first, followed by Haines, and then Southeast. He suggested they all might be done within the year.

Helge provided a summary and update on HB 104 (expedited salvage, negotiated timber sales). He explained that it fast tracks the Division's ability to sell certain timber sales, particularly where timber

stands might be at threat by wildfire or infestation. The bill is still in the Senate Resources Committee. DNR Commissioner made a commitment to work with the committee and bill sponsor over the interim to make improvements to the bill. Timber stakeholders listening session w/Sen. Bishop's office scheduled for November 16.

Helge asked the board to discuss the date of the winter BOF meeting and suggested Feb 1. Alison noted that that might be a little early due to timing of the Board's report to the legislature. Revised to Feb 6. Later revised to Feb 28.

Roadless Rule

Pending Litigation

Thad Adkins, LAW

Thad introduced Emily Feenstra (DOL) then provided an update on the state's expected challenge of the 2022 ruling on the Roadless Rule. Expect to have a challenge filed soon. Not much to discuss until the claim has filed. Also noted that the division is looking at filing a proof of claim to cover a violation fine in the Yak Timber bankruptcy. Eric Nichols asked where the state was in position relative to the bank. Thad noted that we were unsecured and in a very low position and Eric noted which means low probability.

Forest Management

State Forest Management Plan Updates

Ashley List, DOF

Ashley talked about general schedule for TVSF, Haines, and SE state forest management plans updates to address the need created by the carbon offset legislation. TVSF plan already in process and language is being developed to include where carbon offset projects would be appropriate. Haines SF plan, which is about 20 years old, will be taken up next. Will be looking at whether it needs revision beyond the carbon offset piece. SESF plan is recent and we anticipate that the only revision there will be to address carbon offsets. There will be a public review and comment period of at least 30 days for each plan and there will be public hearings. Ashlee stated that she accepted a position with the Forest Service so her position will need to be filled as well as a vacant forest planner position that the division is hoping to fill so that work can continue on plan revisions.

Good Neighbor Authority Sales: Kosciusko & Vallenar

Greg Staunton, DOF

Greg recapped GNA sale agreements. Summarized Kosciusko and Vallenar scope/activities. Eric asked if SOA was pursuing any additional GNAs with the Forest Service. Who initiates? Does the state benefit? Greg talked about the advantages of having GNA sales adjacent to state sales. Eric emphasized the benefit of allowing landowners to build additional infrastructure as well. Helge noted that one of the challenges to state participation in GNAs is our lack of bandwidth. Eric noted that one of the advantages of GNAs is that they allow collaborative installation of infrastructure.

9:30 - 10:00 Break

USFS update on forestry activity

Bridgit Darr, USFS

The Tongass National Forest has selected two new Deputy Forest Supervisors starting in mid-September, Clint Kolarich who is currently the District Ranger in Wrangell, and Barbara Miranda who is serving as our SASS (Southeast Alaska Sustainability Strategy) Coordinator.

Today I have some updates on:

- Progress under the SASS Investment Challenge Cost Share Agreement with Alaska Forest Association,
- Next steps for SASS Forest Management and development of an outyear plan for integrated projects,
- Upcoming forest management projects,
- Tongass Forest Plan Revision efforts, and
- Alaska Cabins project

SASS Investment Challenge Cost Share Agreement with Alaska Forest Association –

The goal of this agreement is to facilitate continuing cooperation between AFA and the Tongass National Forest. The Tongass has provided a list of key questions seeking industry’s consolidated view to help achieve a stable young-growth forest industry in southeast Alaska. AFA has partnered with Patrick Kelly of Axiom Alaska who will help facilitate workshops as we move through this process. Patrick is a retired University of Alaska Lands Manager who was responsible for university lands in Southeast Alaska. The first in-person engagement is scheduled for Oct. 11 in Ketchikan. This meeting will focus on engaging with district rangers, program managers, and forest management staff across the Tongass. Planning for additional workshops with Tongass staff in the field will take place starting in 2024.

SASS Forest Management outyear plan –

Our intent through the SASS Forest Management process is to take a ‘listen first’ approach to develop project ideas for an integrated forest management program. We wanted to hear from all interested parties about what they want to see for the future of the Tongass. The formal comment period is now closed, and the website and story map have been updated to reflect comments we received. We are still accepting comments through email and one-on-one meetings to make sure we reach as many people as possible. So far, we have received approximately 120 project ideas through the public engagement sessions. This includes 65 with an integrated forest management component, 42 recreation project ideas, and other projects relating to mining, and mariculture. Tongass staff are working through project ideas and will develop a final list for prioritization.

Upcoming Forest Management Projects

Thomas Bay Young Growth Timber Sale –

The Thomas Bay Young Growth Sale is a commercial timber harvest that includes potential terrestrial and aquatic habitat restoration, including stand improvement activities such as precommercial thinning. The Tongass is finalizing the Environmental Analysis and Draft Decision Notice for the preferred alternative which includes 561 acres of young-growth timber harvest. We expect to start the 45-day objection period in late-August. Our goal is to have a final NEPA decision late this year with project implementation beginning in 2024.

Thorne Bay Basin Integrated Resource Management Project –

The Tongass continues to revise the proposed action for this sale including proposed silvicultural prescriptions and timing and amount of commercial volume being planned. It will include young-growth commercial timber harvest, new and reconstruction of temporary roads, reconditioning and maintenance of system roads, and implementation of terrestrial habitat and watershed restoration activities in the project area over the next 10-15 years. The Tongass plans to rescope the project after identifying new and revised site-specific information during field work last spring and summer. The draft rescoping documents are currently under review, with tentative release and opportunity for public input by late August.

Prince of Wales Old-growth Project –

This project is in the very early stages of development. The purpose of this project is to meet public demand for local sawmills and cultural uses. These objectives will be integrated with other resource projects identified in the Prince of Wales Landscape Level Analysis (POW LLA 2019) or that are identified during the analysis of this project. We recognize a need for additional old-growth harvest opportunities in the next couple years and are also looking at other old-growth opportunities across the forest, especially in the southern zone, to help address that need.

Chugach National Forest Spruce Bark Beetle Strategic Response –

There are over 22,000 acres of national forest lands affected by spruce bark beetle on the Kenai Peninsula so far. The Chugach is currently implementing both mechanical and hand thinning treatments to reduce hazardous fuels from spruce mortality. More than 1,400 acres have been surveyed with 600 acres under contract. Completed work on 200 acres has produced 2,300 cords of firewood for local communities and commercial fuelwood purchasers. Our overall project goal is 3,300 total acres of treatment over the next few years.

Forest Plan Revision Efforts –

The Tongass Forest Plan revision is currently in the informal pre-assessment process. The official assessment phase will kick off in 2024. If the assessment results in a determination of need for change, the revised plan content will be developed and analyzed through an environmental impact statement process in 2025 and 2026. The recently formed internal Pacific Planning Services Group will be supporting the entire revision process to add capacity and help us stay on track for a final Record of Decision by 2027.

Bipartisan Infrastructure Law (BIL) Funding –

The \$1 trillion Bipartisan Infrastructure Law was signed in November 2021. We have been fully engaged on BIL-funded project implementation. The Alaska Region received about \$5 million in BIL funding in 2022 for thinning treatments which covered about 4500 acres on the Petersburg, Wrangell, POW, and Ketchikan Ranger Districts and are on track for another \$5 million this year.

Alaska Cabins Project –

\$14.4 million in BIL funding will go to new, reconstructed, and repaired cabins with a priority for using locally sourced construction materials. The agreement between the Forest Service and the National Forest Foundation on the Alaska Cabin Project is underway and making progress. The Foundation will serve as the operational partner, adding up to \$3.7 million to the \$14 million already received. This partnership allows us to expand our reach and impact in nearby rural communities. Partnership will support workforce development and expand the use of local wood. The first seven cabin locations were

recently selected and include three on the Chugach and four on the Tongass. The first round of cabins on the Chugach will be built on the Seward Ranger District. The selected locations include Porcupine Campground in Hope, Meridian Lake in Seward and Trail River in Moose Pass. Construction on the Trail River Cabin has already started. The first cabins planned on the Tongass are in Juneau, Ketchikan and Prince of Wales Island. The chosen sites are Mendenhall Campground in Juneau, Signal Creek Campground at Ward Lake, and the El Capitan Interpretive Site in Naukati. In addition, the Anan Cabin in Wrangell, which suffered severe damage during a recent windstorm, will be reconstructed. We are currently working on site assessments for the remaining cabins and expect to share those locations once feasibility is confirmed. New cabin construction is expected to start in 2024 and continue through 2027. We also plan to repair 10 existing cabins through this funding opportunity during that time.

Eric noted that the FS is pushing old-growth set asides. What happens if/when new growth matures into 80+ year-old old growth? What changed – why are we talking about old growth harvest again? What kind of annual volume expectations? Cultural trees are only 1 in 500 trees that make the cut. Without sustainable harvest cultural trees are going to become harder to come by.

Brie replied that we don't know what kind of policy change recommendations might come out of the advanced rule making process currently underway. In terms of old growth, we still want to be able to provide old-growth opportunities for mills and local communities.

Helge asked what market old growth would be geared toward? Brie responded that there is a focus on local markets, but we want to provide opportunity for all of our local timber industry as well.

Eric, when do you expect Thomas Bay sale to be offered? Brie said we expect to have a sale in 2024. Eric asked if it would be all one or multiple sales. Brie said likely multiple sales.

Helge asked for another round of introduction: Robert Venables, Executive Director of Southeast Conference, introduced himself. As did Clarence Clark, AFA member. As did Sheila Spores, FS.

Coastal Regional Forester Update

Jeremy Douse for Steve Connelly, DOF

Mat-Su update: In terms of timber sales, staff prepared public notice and adopted the best interest finding for about 1,200 acres of timber sales in the area. The appeals period ends on August 4. They're focusing those sales on four areas: Willer-Kash, Zero Lake, West Petersville, and Fish Creek. They are currently completing additional reconnaissance and are working on forest land use plans for the Zero Lake and Willer-Kash areas first. In terms of FRPA, they've completed forest practice inspections on four Mat-Su Borough timber sales (inaudible) operations look good on those with no notable concerns to report.

Moving on to fuels. The Sunset fuel break contract with Alaska Hydro Ax to complete 6.2-mile-long fuel break which is about 130 acres north of Houston and Wasilla has been closed out. The operation wrapped up on March 10, the contractor completed mechanical mastication of fuels within the project area. The Mat-Su fuels crew and Gannett Glacier will continue to work on the project as time and conditions allow to complete the 200-foot-wide shaded fuel break in the five anadromous streams to protect that resource. This will allow for a continuous fuel break while retaining the riparian habitat. Additionally, Stephen Nickel presented virtually at the National Park Service's fuels summit in March.

And that was intended to help prepare the Park Service for management of the impacts of spruce bark beetles that are moving up through the Parks Highway. Stephen presented on some of the collaborative work that that occurred between the Division of Forestry and Fire Protection on some state park campgrounds and sites that they want to protect.

Kenai Kodiak area: Fuels project continues with the City of Kenai, the City of Soldotna and the Kenai Peninsula College. They are reviewing all the units listed in the five-year schedule and reconning those sites to see if they're feasible for timber sales. They hired a short-term non-perm to help with FRPA inspections. In 2016 that position was cut and so they replaced it with the short-term non-perm but now the positioning was transferred to the area so we'll be putting that out for recruitment by the end of the month. And that's going to help with a lot of the FRPA work out on Afognak and Kenai (inaudible). During the second reporting quarter for 2023 Kenai/Kodiak office received four detailed plans of operations: one reforestation on Kodiak Island, two timber harvests on Afognak Island, and a salvage sale in the Kenai Peninsula Borough. FRPA inspections were conducted on Afognak Island in April and May.

Greg Staunton reported on Southeast Area. Said they concentrated a fair bit of their efforts this spring on bringing timber sale online out there next to that Good Neighbor project in Kosciusko called the Edna Bay Parlay No. 2 timber sale that's predominately a young growth timber sale with residual old-growth component to it. Produced a forest land use plan for the El Capitan timber sale. We have adopted that and are working through comments submitted for that. It's a 9.7 million board foot timber sale. We've recently adopted (inaudible) forest land use plans for a small cell outside Naukati (inaudible) a project that we did with DMLW subdivision section. We've done some scoping and several other sales that are in the five-year scheduled of timber sales. Haines adopted a best interest finding for the Ski Hill timber sale, which is near Mosquito Lake. RFP out right now for some engineering work to upgrade access road for subdivision with cost of access 10% footprint. Under FRPA activity, Pat Palkovic has conducted several compliance inspections in Mental Health Trust operating areas (inaudible) Yak Timber (inaudible) associated with timber sale activity from last year. Some outstanding issues on it. I think we're on a glidepath to compliance in that respect.

Eric asked about Baby Brown and Whale Pass timber sale status. Greg: the Wale Pass timber sale BIF was signed last year. Early this year we adopted a FLUP. We had several individuals that did not like the decision. The Commissioner stood by his decision and the work the division did there. In respect to the Baby Brown sale in Haines, Northwest Forest Products purchased the sale several years ago and it's not operated on yet. They're still working through access issues and trying to figure out how to move the timber off the road system and to market.

Northern Regional Forester Update

Jeremy Douse, DOF

Let's move on to Northern Region starting with Fairbanks-Delta Area. We've sold seven small negotiated sales. In the spring staff completed 150 acres of regen surveys. We've been participating in a skill bridge program which takes service members that are separating out of military and puts them into internships. Hired a new Tok/Copper River resource forester Dub Evans. We hired a new Forester 2, Brett Foster. Cash Creek Road and bridge over Fortune Creek. This was a collaborative project that we had with DF&G that's going to open up roughly 50,000 acres of the state forest to timber sales. Going to start looking at the five year schedule this winter, we're going to add some sales out there and start

working on the on the road network on that side of the bridge. We are planning on an auction and competitive sales program in December. Fairbanks Delta staff are working on 13 sales for the auction this year. Eight sales in Fairbanks and five in Delta for a total of 752 acres and 14,000 units. We are getting more and more of these .123 sale requests. In Fairbanks, we've had four requests. And I'll get into Tok in a minute.

In terms of fuels, completed the north and south portion of the Delta River West fuel break. We'll be moving into the east-west portion that goes out to Little Delta Creek. Working with the BLM through a GNA project. And then the shaded fuel break projects, Vista Gold north of Fairbanks, Quartz Lake in Delta Junction, and the Mukluk subdivision we're working through.

Tok and Copper River: We hired Doug Evans as a new resource forester in Copper River, who will be working on getting sales out and increasing the offerings in those areas. Youngs timber is a .123 negotiated 10-year sale. Final BIF went out this spring and now it's in final. Alaska Logs Works is requesting roughly 20 acres a year for 10 years. David Rowlings is requesting some sales around the McCarthy area. Matt Webb, who is a Copper River logger has been logging mostly on BLM lands. But we're working with the BLM to gain access through federal lands to get to state land, which is accessing the Copper River.

In Inventory, FIA continues to work out in the southwest unit. And as you can imagine, logistics are challenging out there. We're adding a third coordinator position to help with that. We're going to need to lean on the Forest Service more for logistical support. Some University of Washington researchers came up and worked on some ground-based LIDAR on FIA blocks.

Mental Health Trust update & forestry activity

Jeff Hermanns, MHTLO

We have multiple timber sales active right now, starting with Shelter Cove. Alcan Timber was our purchaser there, they bought a 10-year timber sale from us for about 43 million board feet. We're in year two of that. We're probably another three years, maybe four years of operating in that, depending upon the market. And then the other old-growth sale that we have right now is the Naukati old-growth sale. And that was a ten-year timber sale. I think we're in year number five of that. We've logged about 70 million board feet of about a 97 million board foot sale. We expect that to last about another year and a half, maybe two years. And then we have a second growth sale with Viking Lumber. And that's for about 20 million board feet. No harvesting is taking place in that as of yet. There is one DPO that's been turned in. And depending on market conditions, we'll see when that harvest may begin. And then the only other large sale that we have in southeast Alaska is our Hollis timber sale which we expect that to be somewhere in the neighborhood of 18 to 20 million board feet. And we expect to negotiate a contract with Viking timber and that's probably only going to be about a two-year timber sale. In probably three and a half, four years, maybe five years on the outside, we should probably be done logging old growth on Trust land in southeast Alaska. We have one small timber sale in Gustavus and we have a small operator working on there. And then we have just several other very small sales around the state.

Helge: Where is the second growth sale with Viking located? Jeff: on Naukati.

Forest Practices Effectiveness Monitoring WG update

Trever Fulton, DOF

The effectiveness monitoring working group, for those of you that don't know exactly what that group does, or who it's comprised of, and you'd be forgiven for that because they haven't had a meeting in close to two years. We report annually on the compliance end of FRPA. That's the report that we compile – we as in the Division of Forestry and Fire Protection, Department of Fish and Game, and DEC – which the Board of Forestry reviews and then submits that to the governor and the legislature annually. That's the compliance side of things. The monitoring side is where those agencies as well as other landowners and managers get together and discuss how effective our FRPA regulations are at accomplishing the goal of balancing timber harvest activities with protecting our water quality and habitat areas. One of the ways we do that is by reviewing research needs and available research funding. So that's the background. The meeting has been tentatively scheduled for the end of October. I still have a Doodle poll out there and we're waiting on a few responses, but I hope to get that pinned down in the next couple of weeks and let you know when that meeting is. There's also a fact sheet attached to your meeting documents if you want to learn a little more about the workgroup, and there's plenty of information on the division's website, including minutes from past meetings, workgroup reports, etc. If you have any questions about any of that feel free to ask me now or pull me aside later.

Bill Morris asked to be notified of the October meeting details.

Biomass/wood energy projects and opportunities

Robert Venables, Southeast Conference

Robert gave a slideshow presentation on Biomass in Alaska (see attached), which included

- Background on Southeast Conference, the Regional Development Organization, and their key areas of focus
- The Biomass Collaboration Team, which includes SEC, USFS, AAEA, USDA, the Denali Commission, ANTHC, ACEP, and REAP
- the Alaska Wood Energy Development Task Group, which includes 17 active partners
- New chip biomass installations in Nanana and Mentasta
- New cordwood biomass boiler installed this year in Ambler and cordwood and chip systems being installed in several rural communities
- The Southeast Conference pellet project planned for Gravina Island
- Current RFPs out for bid, including for a biomass operator and circuit rider contractor and a pellet mill operations business plan
- The 2023 Alaska-Canada Wood Energy Conference on Oct 3-5 in Fairbanks

Karen Peterson, SEC Biomass Coordinator, highlighted the Wood Energy Conference and asked if anyone had specific questions.

Eric Nichols asked if SEC was taking the place of AEA in terms of biomass facility siting? Robert said SEC is here to assist and facilitate project champions and community leaders. Eric commented that it would be nice to get a report on how many state-funded biomass projects were successful and what worked and didn't work previously. Karen noted that they had a comprehensive database to track those issues.

Priscilla Morris, US Forest Service Wood Biomass Coordinator, highlighted the Forest Service's webpage (www.fs.usda.gov/science-technology/energy-forest-products/wood-innovation) and added some comments about funding opportunities, including

- Skidder bridge funding available for states and tribes to increase access to timber
- Wood Products Infrastructure Assistance that focuses on fire-prone areas and the purchase of mobile equipment
- Wood Innovations grants and Community Wood Energy grants
 - o Sawmill equipment/technology updates
 - o Compressed log manufacture
- Reach out to her with any questions or for assistance: priscilla.morris@usda.gov

Helge asked about restrictions on additions to real property? Priscilla said building new structures or purchase of property are not eligible for funding. Helge asked about wood products infrastructure assistance grants – does mobile equipment include log trucks, feller bunchers? Priscilla said those would be considered eligible, but only tribal entities or native corporations can apply.

Timber Industry Initiatives

Timber Bridge Update

Helge Eng, DOF

Helge talked about the Timber Bridge background and purpose, including the Vilsack letter and the Tongass transition to young growth. The Timber Bridge is in response to all of that. Timber Bridge involved the Governor asking the MHT and DOF to bridge the timber gap as young growth comes online by offering available old-growth timber on an accelerated schedule (3-5 years). DOF is working on freeing up investments in pre-commercial thinning to support a truly sustainable forestry economy in the Southeast. It is a work in progress. In addition to timber sales and silviculture, DOF is also working on revising an old shared stewardship agreement that might help with grants and cooperative projects. Basically a high-level agreement between the Forest Service and the state. The value of such an agreement manifests in greater ease of securing federal grants.

Sheila asked for examples of what other states have done with Shared Stewardship agreements? Helge used Idaho, California success stories. Idaho has been able to increase harvest efficiency with GNA projects. California has been able to greatly increase their fuel reduction efforts.

Governor's "Growing the Forestry Sector" initiative

Helge Eng, DOF

Helge talked about "out-of-the-box" ideas to grow the forestry sector and current DOF efforts, specifically more and longer-term timber sales at potentially lower prices, especially in the Interior. Mat-Su and Kenai efforts are focused on making whatever viable timber is out there available and on reforestation. SE efforts are focused on pre-commercial thinning and on expanding the State Forest. Efforts also include creating access, building new roads, and attracting new people to the industry. He noted that the goal doesn't have to just be in terms of dollars and board feet. We should also look at job creation, local economic activity, and availability of locally produced lumber, particularly in rural communities.

Eric noted some of the challenges, including wages and equipment repairs and freight. We need bigger volumes to afford to buy modern equipment. Support for larger operations is critical if we want to keep a healthy industry. Government grants aren't going to keep things going for the long term. Grants can help get things started, but don't provide for sustainability. It's difficult to make investments when the Forest Service has been so unpredictable with their timber availability.

Helge asked for a brief discussion of the logistics for the following day's Gravina Island timber activities field day. Trevor Fulton and Greg Staunton walked through the itinerary (attached), which included a tour of the log transfer facility, a look at road and bridge construction techniques, harvest areas, streams, and the proposed pellet manufacturing facility.

Helge asked the Board for agenda item ideas for February 28 meeting. Suggested agenda items

- DEC nominations received for Tier 3 waters (Denise)
- Update on wetlands rule changes stemming from the Supreme Court decision and EPA's "rapid rule" decision (Eric)
- TVSF plan update (Denise)
- Wolf endangered species listing (Eric)
- Haines/Carbon offset update (Alison)
- Effectiveness Monitoring WG meeting update (Bill)
- What steps can or should be taken to create greater predictability/sustainability in the timber industry (Bill)? How much of that is of a federal vs. state origin and what can the Board do to help with that (Brian)? How do we fund pre-commercial thinning, how do we grow these trees faster, and what's appropriate for government to do (Eric)? Consolidation of ownership between state, feds, university, MHT, and Native corporations – how can we manage to create larger, more cost-effective blocks for timber harvesting (Eric)?
- Young-growth/small mill opportunities and needs from Southeast Conference (Robert)
- Forest Service's new old-growth program and what that really means (Eric)
- Follow-up report from SEC on status/success of wood biomass operations around the state (Eric)

11:45 - 1:00 Break for Lunch

Public Comment

Christine Kline (AFA) would appreciate the opportunity for AFA to address the board at the next and future regular meetings. The focus on low volume/small mill operations concerns her. She referenced multiple small operators who don't necessarily create jobs or contribute to developing roads and other infrastructure or create a tax base like larger operators do. Tourism doesn't do it either. Forest plans—the board should look at why sales are becoming smaller and why timber sales that are actually offered are often so much smaller than what is described in a five-year timber sale plan. Board could look at FRPA requirements to close roads—why not keep them open for recreational access and hunting (used South Dakota and Shelter Cove as examples)?

Jeff Hermanns (MHT) commented that closed roads make it difficult and expensive to accomplish pre-commercial thinning and other intensive management techniques. Would like to ask the Board to look into keeping roads open in inactive status following the closeout of a timber sale. Could also be of

benefit to carbon offset projects, which require verification plots and using roads versus helicopters or long-distance hikes could be a significant cost savings.

Dawn Anderson (Mayor of Whale Pass) residents of Whale Pass are concerned about the impacts of the Whale Pass timber sale and feel like they aren't being heard. She said the council has written letters and passed a resolution stating their concerns and requesting that concessions be made for various reasons, particularly safety regarding landslides, road usage, and watersheds. She said they receive no benefit from the sale, no jobs, no business, no economic benefit whatsoever. She requested that the timber sale be placed on hold.

Wrap-up

Board Comments

Eric Nichols reiterated the idea of looking into allowing timber sale access roads to remain open, used MHT and University sales roads as examples and how that creates access for other purposes. Denise noted that mining roads face some of the same challenges in terms of requirements to close roads after operations cease.

Eric Nichols reiterated that there's real pressure from DOF to either inactivate roads or close roads. He said there is a provision in FRPA for inactive roads and that we need to take a look at that.

Brian Kovol said he appreciated the meeting being in Ketchikan, being in-person, and the amount of conversation and ideas that get spurred by in-person interaction.

Eric Nichols commented on the importance of all three landowners—the state, the Forest Service, and the University—working together to create a large enough timber volume to make building the infrastructure make sense.

Trever Fulton thanked AFA for the fieldtrip suggestions and Greg Staunton for putting together the fieldtrip itinerary and handling the logistics.

Adjourn

Meeting was adjourned at 1:25 p.m.

Handouts

- Agenda
- Public notice
- Draft minutes from February 16, 2023, meeting
- Fact Sheet: Forest Practices Effectiveness Monitoring
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