

**NOTE: THESE MINUTES ARE DRAFT UNTIL REVIEWED AND APPROVED BY THE BOARD OF FORESTRY**

**DRAFT Minutes: Board of Forestry Meeting, Fairbanks  
Tuesday, October 29, 2024: 8:00 am – 4:00 pm**

**Call to Order and Roll Call**

Norm McDonald, Acting Director & Deputy Director of Fire Protection, called the meeting to order at 8:00 am. Norm gave an update on the State Forester vacancy and that he and Jeremy Douse, Deputy Director of Forestry, are working together to ensure cohesive operations. Norm thanked the Board for helping with interviews. The meeting was chaired at the Westmark Hotel & Conference Center in Fairbanks. The public notice included information for anyone to call in or connect via Zoom.

**Present (in-person):**

Norm McDonald, Acting DOF Director  
John Rusyniak, Recreation Organization  
Bill Morris, Non-Governmental Fish/Wildlife Biologist  
Denise Herzog, Mining Organization  
Clarence Clark, Forest Industry seat representative for Eric Nichols  
Keith Coulter, Non-Governmental Forester  
Brian Kovol, Environmental Organization – Arrived later in morning  
Nathan Lojewski, Alaska Native Corporation – Arrived later in morning

**Present telephonically:**

Randy Bates, Commercial Fishermen's Organization

**Others present in person:**

Shannon Miller, Board Liaison, DNR/DOR  
Jeremy Douse, Deputy Director of Forestry, DNR/DOF  
Chris Maisch, Retired State Forester and Forestry Consultant  
Joe Young, Young's Timber, Tok  
Steve Connelly, Coastal Region Forester, DNR/DOF  
Jeff Hermanns, Mental Health Trust  
Corbin Knapp, Land Project Technician, Fairbanks North Star Borough  
Meg Waite, Land Project Technician, Fairbanks North Star Borough

Norm explained that Board members Nathan Lojewski and Brian Kovol got stuck in Anchorage and would hopefully be joining the meeting soon.

**Review of public meeting notice and agenda**

Clarence Clark brought up that in the minutes of the last three Board meetings there was significant discussion on the Effectiveness and Monitoring Group, a Science and Technical Committee, and forming to review the Forest Resources and Practices Act, specifically the roads section.

Shannon Miller confirmed that the Effectiveness and Monitoring Group met the week prior. She was hoping to add the report out to the agenda after the AFA update.

Clarence Clark additionally mentioned that Eric Nichols asked him to get an update on the wetlands definition report that was supposed to be coming out of DEC.

Brock Tabor said that he can speak to this right now. The definition is still in flux. There is a great deal of conversation happening between all states and the EPA and the core of engineers. There isn't anything concrete to report out on that today.

John Rusyniak brought up the hazardous fuel reduction funding and asked for a report. Norm McDonald said that he would be able to speak to that this afternoon.

### **Approval of Minutes**

Minutes need to be approved from the last three meetings: February 28, 2024, August 1, 2023, and February 16, 2023. With no quorum, Jeremy moved the minutes discussion and approval to the afternoon meeting session when they anticipate having a quorum.

### **Announcements**

Jeremy Douse announced that DOF did fill a third position in their Ketchikan office, a resource forester that just started.

### **Funding, Legislation, and Regulations**

#### **Brock Tabor (DEC)**

- Continue to work with State and Federal partners to address the impact of the Supreme Court ruling on waters of the US and subsequent EPA guidance related to the ruling.
- Budget: When it comes to FRPA, we have a quarter time position that is dedicated to forestry. We are currently using EPA 319 grant funding, which supports almost all of the water quality work Brock does. As this position grows and may change in the future, this is something we will need to look at.
- Legislative Action: No bills but have prior topics that are undergoing further discussion with the Governor's office for legislation consideration. One is the state review framework, DEC's funding mechanism for communities who participate in the Village Safe water program and looking at potentially expanding the qualification for the funding. The other is a revisit of section 404 G, Clean Water Act. This is the Dredge and Fill program. DEC is engaging with the Governor's office about the feasibility of the assumption and potentially putting a bill forward again. This would be a revisit of a bill that was in front of the legislature a couple years ago.
- Brock/DEC was able to review Detailed Plans of Operations (DPOs) and provide comments on projects that would potentially affect public water sources as well as certain recreational fisheries.
- Engaged with the technical working group last week on the discussion about forest roads.

Jeremy Douse (DOF/Deputy Director, Forestry)

- Budgets:
  - o DOF's budget slightly increased in the Operating budget. Most of the increase is seen in personnel services and a little bit in services.
  - o Operating budget: Moved all foresters off of timber sale receipt accounts to the General Fund. We saw a decline in timber sale receipts coming into the state over time, so foresters are now completely funded by GF. This move was a \$900k addition to the General Fund. The timber sale receipt account money that was used to fund the foresters will now be used for road maintenance and other projects on the State Forests.
  - o An additional operating budget item was annual maintenance on our heavy equipment. We are building up a heavy equipment section. \$84,000 to buy into DOT&PF maintenance program as an annual request. It covers DOT's preventative maintenance and the normal checks.
  - o CIP: Received a \$3.5 million for silvicultural treatments. \$1.5 million for pre-commercial thinning in Southeast, \$2 million for planting in Region II and III. DOF is starting to implement that now. Fairbanks Area is increasing their planting. Historically they've planted 40,000 seedlings annually and that will increase significantly. We will start planting in Tok and down in Mat Su in some of the old clear cuts that were not meeting reforestation requirements.
- Legislative session updates:
  - o **HB 104, Expedited Timber Sales passed.** 117 sales were salvage sales and essentially expedited sales. Exempt from 5-year schedule requirement. Language similar to what was in emergency sales. If timber lost economic value because of insect infestation, disease, fire, etc. or if it will lose economic value within two years it can be included. The biggest change with this legislation is that adjacent stands, or somehow connected to insect outbreak or a pathogen, can also be included in this type of timber sale. It still requires a Best Interest Finding and a Forest Land Use Plan but it is not required to be in the 5-year schedule of timber sales. Land that is cleared for conversion to non-forest can be included as well. HB 104 also reorganized our long-term negotiated sales. We used to have 118 and 123 sales. 118 sales were local manufacture, but it didn't have to be for high value added. Those sales did have to sell at appraised rates. The 123 sales were high value added sales going to local manufacture and they could be sold at less than the appraised rate as long as it was in the best interest of the state. 123 sales have been repealed. 118 sales are now negotiated sales. They are negotiated sales for local manufacture that can be sold at less than the appraised rate as long as it is in the best interest of the state.

Clarence Clark: There are no more 123 sales?

Jeremy Douse: Correct. We are still working on the regulations for that. You will see that in when we publish the new regulation books.

John Rusyniak: You mentioned the timber sale revenue has declined.

Jeremy Douse: I think it probably will decline. We are cutting through our second growth in SE State Forest where we get the majority of our timber sale receipts. I see it declining over time as we move into second growth management.

John Rusyniak: That is why the salaries are being replaced by another funding source?

Jeremy Douse: Yes, just to make sure that we still have foresters. If we cannot pay salaries with timber sale receipts, the threat was that we are going to lose our foresters. We moved them off timber sale receipts and onto General Fund. We are still using that money, it's now going to be used for project work and the actual management of the State Forests.

John Rusyniak: But are we still getting the timber sales at relatively the same level?

Jeremy Douse: Yes, we still are getting sales at relatively the same level at this point.

Jeff Hermans: Can you only use that money on State Forests then?

Jeremy Douse: No, we can use that money on forest classified lands as well. But where we have State Forests, we are the land manager there so if we are going to invest money, the priority is going to be on the State Forests.

Chris Maisch: Is any revenue generated from carbon sales coming through the same timber sale program, or is it separate? Because that is on State Forest land, or at least some is?

Jeremy Douse: It could be on State Forest land; we do not have any carbon projects yet. My understanding is that any revenue we get from carbon projects goes to General Funds.

Clarence Clark: Didn't a section put 50% of the income into renewable energy projects?

Jeremy Douse made note to capture this question for Trevor Fulton's presentation.

- DOF Legislative session updates continued:
  - o **Lumber Grading Bill passed.** Hired the Forest Products Specialist at UAF Cooperative Extension and are building that program. We are statutorily required to do one training in each FRPA region each year. This year we have done 7 and are about to do an 8 in Haines. In Region I: Klawock, Sitka, Petersburg. Region II: Soldotna and Palmer. Region III: 2 in Fairbanks and 1 in Aniak. After Haines, we will do an After-Action Review to see how the program is working out. So far, we've trained about 60 people. It seems to be well received in all the communities. We will ask if they want to be included on the Cooperative Extension Service website so people looking for this product can find and contact small businesses. We are looking at doing

presentations at Alaska Municipal League to get communities that have a building code to write the exemptions so this local product can be used. We've been approached by a couple of communities and will continue to push writing those exemptions.

Keith Coulter: Can you put into context- You are supposed to look at that as rough lumber? Is that mimicking like what you would see at Lowes? The dimensional lumber is actual nominal thicknesses. Are they 2x4s as you get them out of the store? Are the wall thicknesses going to be different because they are not planed?

Jeremy Douse: That is all written into the size requirements of what is milled. So yes, those nominal thicknesses, if you are doing rough cut, it must be classified as rough cut and it would be those nominal sizes. You can plane it as well, and then it would be the plane sizes you would see in the box stores. There are things that must be reported on the product that is being offered.

Keith Coulter: I was just curious and trying to understand if everything is actual dimensions vs. nominal and nothing is going to fit right, you'd have to work that into your blueprints. I was just curious how they were dealing with it.

Jeremy Douse: If it is rough cut or finished, that needs to be reported on. What the moisture content is, that needs to be reported on. If it has been air dried or kiln dried, that sort of thing. If you are interested, it is on the Cooperative Extension website and you can download the handbook with all those requirements.

Clarence Clark: Is there a tracking program to track how much is sold under this program? Everywhere I go there is always the conversation about local use and local needs. No one has ever done a demand study on what is the local demand. Produced vs sold or produced and sold.

Jeremy Douse: Cooperative Extension is not tracking how much is being produced right now. That is something that we can look into.

Keith Coulter: One of the things that frustrates me about local sawmills is that they seem to run out of product and then they can't restock it. If you run out halfway through your project and they don't have more, then can you just substitute with bringing in lumber from somewhere else? Are they prepared to have inventory? And how do they predict how much they are going to need?

Jeremy Douse: You can use anything that is stamped. If someone is building a house and they want to use a local product, they would be working with that local mill early on to plan. To your point about the nominal sizes, they are going to know what they are going to get. The mill itself must sell directly to the end user, so there is that relationship. If they run out of

product halfway through, the purchaser's only real option is to find someone else selling a local product or to go to the box store that sells stamp lumber.

Keith Coulter: Are they competitively priced? Can you buy a local 2x4 cheaper than you can buy one from Home Depot? That is always what ends up happening. Something milled from Alaska, it costs more.

Jeremy Douse: We are not regulating the price of what they are selling for. It'll be interesting to find out if it is cheaper. Those big mills down south that ship up here can price lower.

Bill Morris: At least one local small mill in Fairbanks has competitive prices with the box stores and two years ago they were quite a bit less. Their 2x4s weren't shaped like c's, it was nice. But I couldn't have built a house with them.

Jeremy Douse: Yes, not within the city limits. The Alaska Housing Finance Corporation did get those exemptions into their minimum construction standards, before or right around the same time the legislation was even passed.

Chris Maisch: Have you seen any interest in people getting a dry kiln going?

Jeremy Douse: Not yet. We did receive a wood innovations grant to provide training on developing kilns. We are hopeful this will increase interest. The last time we did this, that is how Dry Creek got their kiln. We are going to move in that direction but have not heard of people wanting to develop kilns. When I talked to Northland, they said it wasn't worth it.

Jeff Hermanns: But if you talk to Dry Creek they said it was a gamechanger when they added that kiln.

- DOF Legislative session updates continued:
  - o **Looking ahead:** For next year we are looking at increasing access, increasing inventory or adding to our inventories, and increasing capacity, for both field going foresters and in engineering. That is the direction that we are looking.

Clarence Clark: So with engineering, are you looking at restarting the roads office?

Jeremy Douse: It is a discussion point. I don't know if it will look exactly the same. It is a work in progress.

Ben Mulligan (ADF&G/ Fish and Game Coordinator)

- Budgets: We are still in the process of requesting our budgeting permits through the Governor's office. Our budget stayed flat except for the increments that came in to deal with merit increases for staff.
- Legislation: We didn't see anything last session that made us have to change any of the way we are operating as it pertains to FRPA.

- As a side note on the agenda, the NOGA and Tongass Forest Plan getting updated, we do have staff watching that and we'll comment as that process keeps going but we are working through a consolidated comment through DNR on both of those.

Clarence Clark: Is there still Sustainable Salmon Initiative funding?

Ben Mulligan: Yes, that is a regularly funded program.

Clarence Clark: That is the funding that Fish & Game was using to catalogue property, I think they did Sealaska and then the Mental Health Trust land exchange. Habitat biologists out looking at trust lands for fish streams and marked and entered them in the catalogue. That was a wonderful process. If there is funding to do that it would be great to continue that across the whole state. As a forester working and laying out timber that was helpful to have someone already looking at streams and cataloguing. Awesome job.

Ben Mulligan: Thank you. Historically, I don't know if that work ever stopped. We currently have through that Sustainable Salmon fund our Douglas office continuing that work. In the time I've been involved they've continued to do it in Southeast. We do it in other parts of the state but not at such a high level as we do for southeast Alaska.

Jeff Hermanns: Weren't they the ones that did the roads conditions surveys as well? We had talked about that last week in our [Effectiveness and Monitoring Group] meeting and I was wondering if there was plan to continue that or revive that. I was also wondering if culvert replacement with bridges is any part of the Sustainable Salmon Fund, or bridge replacement?

Ben Mulligan: As far as I know, the only things that AK SSF funds have been available for is to do the anadromous water surveys. As far as culverts to bridges, or replacing culverts, there are different fund sources. There are some programs that would help fish passage, but that is not work that we ourselves do, that is usually done in conjunction with Sport Fish's habitat restoration shop, and the actual responsible party of said culverts and/or bridges to look for those funding sources. It is not a regular sort of program that we would do the work for. It would have to depend on the responsible party.

## **Forest Management**

State Forest Management Plan updates: Trevor Dobell, DNR/DOF

- Tanana Valley State Forest Management Plan Revision
  - o Goals are to include language that allows for carbon offset projects as a potential use for forest classified lands, editorial changes to increase consistency throughout plan document, technical updates including forest inventory data, ADF&G contributions, and land status changes. Anticipate submitting to Commissioner's office for signature March of 2025.
- Haines State Forest Management Plan Revision

- Goals are to include carbon offset projects as a potential use on forest classified lands and editorial changes to increase consistency throughout the plan document. Will do a two-month public review for all plans. End goal is April 2025.
- Sustina Forest Management Plan Revision
  - Goals are to replace the 1991 Susitna Forestry Guidelines which includes all forest classified lands in the Susitna Matanuska Area Plan and Southeast Susitna Area Plan. Plan is to highlight new research, new ADF&G information, new inventory data, any silvicultural information that has changed since 1991. Internal deadline is Nov. 2025 - pretty aggressive.

Keith Coulter: What are the largest changes that you see that you've made between the three documents? Anything glaring or mostly small updates?

Trevor Dobell: For Tanana that might be the biggest change. None of the management intent changed, it was mostly the carbon offset project we had to include language for. For Haines, no management changes exactly. Some special use designations that weren't officially passed. To my knowledge there are no major changes. I think the biggest change will be once we get the Susitna Plan updated, because those 1991 guidelines will be fairly different from a Forest Management Plan.

Meg Waite, FNSB: What documents or resources you are utilizing for carbon offset changes in the Tanana Valley State Forest management plan revision?

Trevor Dobell: We used the regulations that were passed and then Trevor Fulton, the carbon offset program manager, provided information, and then Department of Law edited it based on their interpretation of the statutes and regulations. It is a short section for carbon offsets in the management plan because there are no details or concrete information yet

Keith Coulter: I don't want to put you in the crossfire here but why is it taking so long to understand? That is one of the spookiest things with this carbon thing. I've been involved in several carbon projects now and all of them limit timber harvest, road building, the size of harvest areas. Whenever I start talking about the state carbon sale, there is always a lot of "we don't know" and I'm concerned that if this gets written into some sort of regulatory language that there was never really any sort of process to flush out how this was going to work. I read the consultant's report that they are using for the carbon project. That wouldn't exactly get passed a dissertation committee. I can lean on Trevor when he gets on here. Is there any indication when they are going to get this stuff to you folks?

Trevor Dobell: Not on my end. My planner in Ketchikan paid for an SAF carbon class to help herself better understand how to write the language. I would say Trevor Fulton is the expert in the room. We were directed to include language, and we did and that is the extent of my expertise and involvement.



Jeremy Douse: That is DOF's involvement in it. We have a legislatively designated piece of ground for timber management and other uses, but timber management primarily. There is an interest in having carbon projects on that land. Because of the regulation changes, we had to write that into the management plan so that it would be an allowed use on the State Forests. To your point about what does this look like- well the markets are changing so rapidly too. I think there are some assumptions that there's going to be projects but who knows if it's profitable or in the best interest of the State. I think that is still up in the air.

Bill Morris: That was one of my questions. It seems like the markets have changed so much and having to mesh that in with this regulatory framework...It seems like there is a lot of effort to get these designations and change these plans but what is the market?

Jeremy Douse: It's just like how we allow mining on State Forests. Now, we have to write this in so that we can allow carbon projects on State Forests as well. And that is the extent.

Keith Coulter: I haven't seen any analysis on trade off. If we had just stuck with timber and developed timber like it could be, what sort of regional economic benefits we'd realize, versus going this carbon route. How did they make the decision to do that? It seems like if the timber market was where it should be, there would be a regional economic boost.

Jeremy Douse: The decision document is the Best Interest Finding, because carbon projects still require BIFs. Hypothetically, if we decide to do a carbon project, we're stating in the BIF that it makes more sense than any other use, that's publicly reviewable.

Clarence Clark: If there wasn't a supply issue it would be amazing what the forest products sector in the state could do. It could very well economically outproduce any carbon offset projects. It goes back to the BIFs. It is going to be interesting to see the BIF when it is written and be able to compare the forest products sector and economics of forest products versus carbon. It is going to be hard to say what happens if we had a supply.

Jeremy Douse: Notice that the Southeast State Forest wasn't included in this [management plan revisions]. There is a supply issue in southeast. If there is a supply issue in the rest of the state it's because the access is the bigger problem, just building roads to manage new stands. Or the product in southcentral, the resource is the issue in other areas.

Clarence Clark: Why are you not looking at the land use designations in the Haines State Forest like in the TVSF? There are some amazing stands of second growth in Haines that are in recreational designations. Back to the supply issue/concern. Also, the Constantine Mine is talking about a road along the west side of the river down into pyramid harbor for mineral extraction. That is going to make a huge difference in what goes on in Haines. That provides access to quite a bit of acreage. We should be looking holistically at the forest plan instead of segments.

Jeremy Douse: Originally, we talked about just adding in carbon language to start carbon projects for Haines. Once we were down there, went to the public meeting, and toured around, we all thought that we should look at some of the land use designations to at least see if they make sense.

Clarence Clark: The industry would tell you that the old growth in the Haines SF isn't worth harvesting. Just because of the defect. The young growth stands are amazing.

Denise Herzog: Trevor, I commend you for putting these plans together after a long period of time. You have to build in a lot of forward thinking, assuming it will be another 20-30 years before it gets done again. Good job.

Keith Coulter: I second that. I've used the state documents for carbon projects, etc. In terms of them being scientifically driven, good data, and collaboration amongst different agencies they are very thorough and well done.

Jeff Hermanns: Could he tell us what the historical harvest of the annual allowable cut has been? It is all in context with carbon, right? Specifically, the new carbon stuff says you must show that it is harvestable, and that it is a marketable product. Originally when carbon started you could throw all the spruce in there. That has gone by the wayside. So you are going to have to take a portion out of the annual allowable cut. I'd like to know, historically, what has been harvested in the Tanana Valley State Forest, and has the state looked at the annual allowable cut and go, what is the projection for the growth of the industry and what are we going to take out of the AAC?

Jeremy Douse: Historically we are at about 10% of our AAC on the Tanana Valley State Forest, looking at each of the individual management areas. There is some room to work there. We don't know if this is going to be profitable for anybody, so we don't know if there is going to be a carbon project. In the Haines State Forest, they are at a fraction of their AAC and southern Southeast is right there. The idea is that there is room in the AAC.

Keith Coulter: Is this creating a sort of lag effect right now? Is it having an influence on what could be being done on the timber side of things now that people are focusing on carbon?

Jeremy Douse: Not on our side. The carbon program is managed out of the Office of Project Management and Permitting (OPMP). Our mission as a division is to continue to operate and try to increase opportunities for timber operators. One exception might be in our inventory shop because there is a request for more inventory so there is an understanding of what exists even off forest classified lands and general state forest. But that is not a bad thing, knowing what we have out there could be a benefit.

Chris Maisch: I heard Trevor mention they were updating inventory, so I would assume that means annual allowable cut calculations? That would be a good thing to get a current

number for. It is often species specific so in Fairbanks, the spruce allowable cut is often almost fully utilized whereas birch is not.

Jeff Hermanns: Are they changing the view of the roads? Is road construction in TVSF looking to keep them permanent/year-round roads? Is there any change to that strategy going forward? You just talked about infrastructure and roads being the limiting factor. What view is Forestry taking going forward?

Jeremy Douse: In the management plans themselves, they are not addressing what roads are going to be closed. That is prescriptive, the plans are supposed to be programmatic. It is just site specific- the bridge on Standard Creek that goes over Goldstream Creek is just not functioning anymore. We're considering what that looks like if we close that bridge- do we need to close these roads? Or do we put them in inactive status? This is all stuff we are thinking about. As we finish in an area, if we are completely done we consider closing the road. It also depends on what the public use is there or if we have something that we have to do, like continue regen surveys, etc. So it is pretty site specific.

Corbin Knapp, FNSB: Question on the carbon programs and second growth stands. The Borough is getting back into these timber sales or uses for their land. We hadn't had a timber sale since 2014, just got one started up in the Two Rivers Area. We didn't get a lot of success but there was some interest. Is there a focus on potential collaborations with municipalities on timber sources, replanting, etc. Maybe working together for road access for bigger cutting areas? Are there plans to work with municipalities on that?

Jeremy Douse: We don't have any immediate plans. You guys just started your program back up- I think I was the last person that laid out a timber sale for the Borough. If you want to reach out to our Northern Region or Fairbanks Area Forester to start the discussion.

Good Neighbor Authority Sales: Greg Staunton, DNR/DOF

- Kosciusko GNA: Recently, this quarter moved to close the timber sale portion of the Kosciusko GNA. The contract was Alcan Timber. They logged approximately 32,688,000 board feet. Produced revenue of \$345,661 gross. Out of that stumpage we used \$109,000 to do some upgrades on USFS mainline system. Produced a net stumpage value from the project to be used in projects that the Forest Service would like to do, as far as restoration, of \$236,672. We did this on approximately 835 acres. It was a purchaser layout and was an as-built acreage figure, we used planning imagery to come up with those acres. September 10 we terminated the timber sale. We met our administrative requirements to purchaser and other duties to USFS. What we plan to do with some of the administrative funds we have in that project is to do a lessons learned review. We are planning to use a contract forester to do that this winter. Find out if we have a replicable configuration. What happened with that young growth and what we could do differently in the future as far as the actual management of it. Kosciusko was all on federal ownership so initially

cleared through NEPA process the Forest Service did. We inherited the project close to that.

- Vallenar GNA: This was mixed ownership. Federal portion of sale was 73 acres with estimated volume of 2.8 million board feet of young growth. The balance of timber in project, which totaled 16 million board feet, was state timber. A mixture of old growth and young. The purchaser Alcan Timber have been working on project since 2019. They logged the state portion of the contract first, estimating completion this fall, building road onto federal portion and are about halfway through that process. In September they requested to renew the contract. Contract has already been renewed once. We moved forward with the request for renewal. We expect to see something coming out of the Forest Service in the next couple of weeks.

Keith Coulter: What can you speak of for market conditions and how they are able to source that wood into whatever markets they were going into?

Greg Staunton: With both contracts they were operational during the tariffs that were imposed at the end of the Trump administration on wood that was being exported by the US. The state adjusted contract prices with the Forest Service's oversight to allow that contract to continue. Shortly after we got into a situation where markets and shipping were affected by COVID so again, prices were reconfigured to reflect that. Where we ended the project was at a base rate type revenue structure. We did not have to do that at Vallner. We did extend the contract in both cases to accommodate the needed flexibility to deal with market conditions. My understanding is they have a market; they are moving wood into the market, it is round log export.

Clarence Clark: It's my understanding with GNA that the stumpage is supposed to be used for other resource projects. Has the USFS approved the lessons learned?

Greg Staunton: It's my understanding that we are going to take the stumpage that came off the Kosciusko GNA sale, turn it back to the Forest Service for their local use in doing restoration projects. The concept of us doing work out there on projects was not a practical one given the remote nature of the project and our purchasing structure for revenue that we did generate. Earlier in the project when we were looking at generating probable 3-4 times the amount of revenue than we generated- when stumpage rates were higher, that may have been feasible to pull off. But the final stumpage rate we had, the revenue that we did generate, the projects that they brought forward didn't seem to match what I would consider a project we could pull off within that budget.

Clarence Clark: But the funding for the lessons learned, is it coming from general GNA funding? Or is it just general funds? Are you using GNA funds to fund the lessons learned?

Greg Staunton: It's my understanding we are using revenue that was allocated at the beginning of the project for contract administration. We have some money left over in that.

Clarence Clark: Are there other plans for future GNA projects?

Jeremy Douse: We are looking into it now. No immediate plans but we are going to continue to work with the Forest Service on doing GNA.

Ketih Coulter: Greg how much interest was there in those two timber sales? In terms of contractors that bid on them?

Greg Staunton: There was one bidder on each sale.

Clarence Clark: When was the last time southern Southeast had more than one bidder on a timber sale?

Greg Staunton: I am not prepared to give you that specific of an answer, but your point being that we have a small group of people that are interested in our timber is taken.

Keith Coulter: I don't think the market is accepting of too many people coming into it. It is a difficult market to penetrate with a couple key players and not much to fight over.

Clarence Clark: The major landowner, the federal government, are only producing 3 million feet a year. It's tough. From my research, 2008 was the last time there was more than one bidder on a sale in Southern Southeast.

Keith Coulter: Greg would you say it was a positive and it worked out? Or would you say it wasn't that profitable, from the contractor side of things.

Greg Staunton: The purchaser had several anxiety points having to do with approval of the unit pool and the way it was laid out. Then we had two significant market issues they had to deal with. It's also a long way out there. In the time that they had the project, there was significant changes in availability of marine assets. It turned out to be a positive experience, how much of a positive experience hasn't been relayed to me.

#### NOGA Updates: Stephanie Rebain, USFS

- National Old-Growth Amendment: National consistent framework for conservation and monitoring of old-growth forest. Define, inventory, assess threats, develop policy. A proposed national amendment so would affect all national forest management plans.

Clarence Clark: Can you explain the difference between old growth forests and mature forests and then explain the effects of NOGA on Region 10.

Stephanie Rebain: Effects on Region 10. I don't think there would be a large effect on the Chugach National Forest. It doesn't have plan components focused on old growth and old growth conservation, it has a forest wide desired condition that is focused on natural

ecological patterns and processes. It really doesn't have land designated suitable for timber production and a very small amount designated suitable for wood products. I don't think there would be a large effect on the Chugach. On the Tongass, the NOI had a very specific exception for management done as part of the Southeast Alaska Sustainability Strategy. In the DEIS on page 33 it describes the Secretary's intent regarding that. There are specific deviations where timber harvesting can be done.

Clarence Clark: The difference between mature and old growth? And how does the NOGA concept deal with federal statute in regard to Alaska, ANILCA with the No-More clause and the Tongass TTRA seek to meet. Is there a conflict? I will say industry is very concerned that NOGA is going to be another roadless and we're going to spend decades litigating.

Stephanie Rebain: I will have to get back to you on what the DEIS specifically states regarding seek to meet. There is a deviation in the draft specifically for meeting other statutes and regulations, it is broad. Regarding old growth and mature- there was a draft inventory that was done and then revised in 2023 and 2024. The idea was that mature forest is on the way to becoming old growth- the preceding stage but wasn't quite there.

Bill Morris: Is the process to achieve deviation going to be well laid out with the timeline? I'm not a forester but we deal with deviations a lot in other industries. The timing to get an authorization to be able to operate under a deviation is all over the board.

Stephanie Rebain: We'll know more in December. Public feedback wants to know how deviations will work. The language in there right now as I read it isn't clear. I need to send items on mature and old growth inventory, and I will send the DEIS to Shannon.

Keith Coulter: What is the lifespan of this if there is an administration change? If there is a change and they don't find it has merit, what benefit did it bring to the industry and some of the problems they are facing in terms of limited supply?

Stephanie Rebain: It feels like there is still a lot of unknowns.

Jeremy Douse: There was a recent summary that came out that was a summary of comments on the DEIS. There was a comment that said in the NOI originally, there was a statement to exempt Alaska from NOGA and that thought process had changed when the DEIS came out because of comments that were made within the region- comments that the Forest Service had received. Why the change? Who made the comments?

Stephanie Rebain: Yes, the NOI in December had a very specific line item for the projects that are part of the SASS. Sometime between December and June, instead of calling out Alaska specifically, they'd now be met through two specific deviations. The ones regarding other statutes and regulations and then regarding culturally significant use and de minimis use for local community purposes. The Secretary's intent was clearly described in the DEIS as still supporting those activities. I am not sure what comments triggered that.

Tongass Plan Revision Updates: Erin Matthews, USFS

- Tongass Plan Revision: This is a multi-year process. Started assessment in 2024, will hopefully finalize plan in 2028. Looking at the current state and resources, impacts to the Tongass, how Tongass is impacting the surrounding areas. Are there any current challenges that a revised forest plan would address.

Clarence Clark: Explain the difference between LUDs and management areas?

Erin Matthews: They are getting at the same thing. I want to stress that LUD 2s were a name that was congressionally designated, so we will still have a few things that are called LUDs and can't change that unless congress changes that. The management areas are getting at the same intent- what kind of uses, management can we have in certain areas. We do already have some of those established with the LUD 2s in our designated wilderness areas, but that is the same intent. To drill down what uses can exist where on the Tongass.

Clarence Clark: There was a previous conversation about the boundaries of management areas being flexible and that they could change with projects, so that is a bit different than LUDs. Am I correct with that?

Erin Matthews: This Land Management Plan will be at the 10,000-foot level, not getting into project specifics. Designate certain areas for certain uses and those aren't going to change after the plan is revised unless there is an amendment. Any project specific work will have to apply the standards from the management areas to those upcoming projects.

Jeff Hermanns: At last week's meeting, the Forest Service came out and essentially said the reason why they were struggling with developing a second growth harvest program is because they transferred so much commercial aged second growth over in the land transfers, which I took exception to because it is flatly not true. I was wondering when the Forest Service might have information on just how much commercial grade second growth you really have. It's one thing to say we are not going to have a second growth program but another thing to blame transferring land to Sealaska and the Trust on the reason why you don't have a second growth program. When will you have that information on how much commercial grade second growth was really transferred and how much you really have?

Erin Matthews: This assessment is going to help dive into where we are really at in some of our timber components. I can't speak to exactly what's detailed currently in that section but if there is any information missing that you see when we release this in January, please provide those comments and feedback. This new revised plan has specific timber requirements and requires certain plan content for timber suitable for production. It will be a part of this revised plan.

Brian Kovol and Nathan Lojewski joined and the Board decided to take the 10:00am break as scheduled and revisit agenda items that needed a quorum after the break.

## **Approval of Minutes**

Jeremy Douse addressed the need to approve minutes from the last three meetings: 2/28/24, 8/1/23, and 2/16/23. Now with a quorum Jeremy asked if there were any questions or comments from Board members on the draft minutes.

Clarence Clark: Yes, I think in the minutes from the March meeting at several places, the Board was talking about the company warehouser versus warehouses or warehouse. I think the minutes show warehouse versus warehouser.

Nathan Lojewski: On page 23 at the top, it says I'm Nathan Colter. It may have happened a couple other times.

Bill Morris: Page 11, ADF&G Ben Mulligan.

## **Motion:**

Denise Herzog: I make a motion to approve the minutes with those edits.

John Rusyniak: Second.

Jeremy Douse: (***Vote taken – motion passes***) All in favor approving the minutes.

## **Forest Management (cont.)**

### **Regional Forester Update: Coastal - Steve Connelly, DNR/DOF**

- Southeast Area:
  - o Greg Staunton, Area Forester. Total of 6 timber sales. Alcan and Viking are five of them. Always looking for new timber sale opportunities. Participated in Southeast Alaska Sustainability Strategy, Tongass Transition collaborative, EIS meetings.
- Kenai Kodiak Area:
  - o Continuing to look for timber sale opportunities. Potentially in the Seward area. Contract with Terra Verde for Kenai Peninsula Forest inventory. Mapping timber types and will get out in the field to determine feasibility of timber sales and forest management. A report should be complete by end of next spring. Firewood permit calls remain high. Foresters are attending community meetings on wildfire preparedness.

Nathan Lojewski: I have a question on that inventory. Did you redo the vegetation mapping? I know the Forest Service had done a project just a couple years ago and they classified timber wrong.

Jeremy Douse: On the State ground they did redo the GIS data, yes.

Nathan Lojewski: This inventory was just done on State land? Jeremy Douse: Yes.



- Mat Su Area:
  - o Five Year Schedule of Timber Sales just completed and published. Approximately 5,000 acres. Working on road improvements to help sales using DOF funds. We need to do some work on roads to try to get this timber out. Recently sold 80,000 board feet, 50% Sitka Spruce, to a valley operator off the Alyeska Resort in Girdwood. The State was clearing land for a lease and we were able to utilize the timber. Working on proposed Trapper Creek fuel break. Not just for protecting communities from fire, we can provide the timber to mills. Let's make commercial timber sales out of fuel reduction work.
- Other updates from Steve on Coastal Region are that all areas are applying for federal grants for bridges to access timber sales. Areas are looking at possibilities to harvest timber next to other private or government landowners to make things more economical. Foresters attended the Fall Fire Review, a timber sale training in Fairbanks, and multiple local community outreach events.

Jeff Hermann: Has Wrangell or Ketchikan Borough contacted you? Wrangell has about 10,000 acres they are interested in harvesting. Ketchikan has recently indicated they are interested in opening roads and building roads for timber harvesting.

Greg Staunton: I talked to Wrangell about this time last year. They did not have a land management plan at that point that would allow them to facilitate that in perspective with a public process. They were working in that direction, and they have not contacted me since.

Clarence Clark: Steve, could you expound upon the Division's involvement with the Forest Service in the Tongass? You mentioned EIS and timber projects. Is there a dedicated person that is the interface with the Forest Service?

Jeremy Douse: It depends on what you are speaking of. On the EIS and NOGA it has mostly been myself and Shannon. As a cooperating agency that is something we work with OPMP on and provide comments that way. Greg has been the face for GNA and implementing those projects as the forester on the ground. We have other staff like Mike Cooney and Jim Eleazer who work through GNA and other items ongoing with the Forest Service. It depends on what specifically you are referring to.

Clarence Clark: There used to be a state Tongass team and OPMP was the lead. This was 10 or so years ago. The State put together a "one state one comment" concept where all State agencies provided comments on any federal action to the lead of the State Tongass Team (OPMP) and they would combine and submit comments on behalf of the State. Is that still going on?

Jeremy Douse: OPMP still provides that role for all State agencies and anything involving ANILCA.

Clarence Clark: I am just thinking I saw Fish & Game comments on a project recently that seem to be outside of anything the State had provided as well, and who from DOF was involved.

Shannon Miller: I can't speak to what Fish & Game has commented. There have been times when Forestry has submitted comments but it is coordinated through OPMP. The other state agencies may not have anything to say but it still gets vetted through OPMP.

Clarence Clark: That's how it used to work, I can't say how valuable that was during that timeframe. There were two major timber sales the Forest Service put out that were both litigated and I think because the one state one voice comments, the Forest Service won. One of those is the Big Thorn timber sale which is still providing timber for the industry. I think this is an amazing thing for the State to do and want to make sure it still happens.

#### Regional Forester Update: Northern – Kevin Meany, DNR/DOF

- Kevin gave an update on regional staffing levels and remaining vacancies they are hoping to fill. He stressed how the Division has grown and built a good team of field and equipment operators.
- Fairbanks-Delta Area:
  - o Planning documents are out for review for sales. Three Preliminary Best Interest Findings and five Draft Land Use Plans. In review and comment period. In that, an entire unit from Yukon Tanana Area Plan is out for review, plan is to do some long term and competitive sales. Really trying to get a whole area opened up and just do additional FLUPs as needed under the BIF. Is on forest classified lands but not in State Forest so working with DNR. Upcoming auction in Delta, mostly fire salvage and small sawlog sales.
- Tok Area:
  - o No auction scheduled for Tok. We are focused on filling a vacancy in Tok to help support getting more timber sales.

FNSB: It seems like we are focusing on smaller sales for the Northern Region. Is there a process for those to look at – say if the Borough was interested?

Kevin Meany: Yes, you can contact me. The prospectus has detailed information on bidding. I don't want you to get a mischaracterization that we are only focusing on smaller sales. I think that is very specific to Delta. In the Fairbanks area, we are looking to do 40-60-80 acres units for both spruce and birch. Even larger if we can.

Jeremy Douse: I just want to reemphasize what Kevin just said, particularly in Fairbanks and Tok. There has been more of a demand for longer term sales, 10-year sales, and we are trying to meet that. These smaller sales meet one segment of the market, and we try to accommodate them but also people who are looking for more volume.

#### Mental Health Trust - Jeff Hermanns

- We went through a public comment with our carbon project. We didn't get a single comment. Just in the last year there has been significant changes in the carbon market and we are trying to understand what that means- potentially it might mean we put less into carbon. Focus right now is in Southeast.
- Started timber program about 30 years ago and essentially liquidated our old growth timber. We are still harvesting on Prince of Wales with Viking and have harvested almost 100 million board feet in that timber sale and it is about wrapped up. Built over 30 miles of road. It raised a lot of revenue for the Trust. It was a very successful program.
- Have a second growth sale with Viking, a 20 million board foot sale. They've constructed ROW through a couple of units. The current market is not conducive to harvesting second growth right now so don't have an update on further plans for it.
- Interest in small salvage sales on previously harvested land.
- In Hollis we have legal issues with trespass that we inherited from Forest Service in the land trade. Issues were supposed to be resolved before land transfer. They weren't. We don't have a timeline on that, working with State and Dept. of Law. No update.
- Alcan Timber has our Shelter Cove timber sale, roughly 43 million board feet. In the third year. Slow progress timber sale, focusing on areas we can harvest with the current market. Current market for spruce and cedar is still good. The low-grade market is really tough- historically what has gone to China. DOT project out there, a \$7.2 million project done with DOT through RSA. Completed the project with exception of a few gates and hoping that ROW and easement issues will be resolved with DOT this spring and it will be open for public to drive through and access the significant road network.
- Still have a few small sales in Haines, working with Greg Palmieri (DOF) and some additional interest in small sales. Want to get a better understanding of what we have there.
- Gustavus has an active timber sale. Built about 1.25 mile of road to access timber- it is beautiful stuff. Coastal timber, up to 40,000 board feet to the acre. Really impressive volume but they don't have much for markets. Struggling to log it, mill it into dimensional lumber or anything else to make money.
- Fuel reduction project with Tok school ongoing. Still trying to complete first and started on second. See aspen responding already.
- Working with Fairbanks Forestry on one small project but hoping to do more. Opportunity- wherever we might have something close to one of DOF's operations we are going to help facilitate that.

Clarence Clark: Have you been in touch with Southeast Conference about salvage work?

Jeff Hermanns: Yes, It's tough to find out what product they want. Sometimes they want what's alongside the road to make pellets. Responses are unclear. We have a couple of development projects in Ketchikan we are looking at. Whipple Creek subdivision, going to have timber off that which will be perfect for the pulp mill. Most of it is low grade.

Denise Herzog: What is the nature of the Hollis trespass? An unauthorized harvest?

Jeff Hermanns: It's the Hollis Boatworks. Been there for 100 years. They had a permit with Forest Service at various times throughout their history but then they haven't. Forest Service refused to do anything about them. Then they continued to expand onto the uplands and build structures. They have a significant portion of structures are on state tidelands. It takes significant efforts from State and Trust to work together to move forward. I want to squash rumors out there, that we are going to go out and bulldoze the facility. That is not our intent, it has never been our intent to do that. We've worked exceedingly hard to try to come to a settlement with them. To do a lease, to do a small sale, and none of it has resulted in anything. It's about 1000 acres of old growth timber. Some high-grade red cedar.

Clarence Clark: There is a wonderful book that the Forest Service funded. It was on the regional website. It talks about the history of the Boatworks and leads up to the transfer. As Jeff said, the gentleman's special use permits expired several years earlier and had never been renewed. The Forest Service just passed that issue on. It is probably the last covered boat pull out workplace in Southeast.

- Jeff Hermanns: I have one additional update for the Trust. We have worked with Sealaska to do an agreement to start a substantial precommercial thinning (PCT) program on our second growth lands at Kassan, Naukati, all our big parcels. The only one we might not include in that is Icy Bay- it is so remote it might not make sense. This will be a significant program going forward. There is a backlog of about 8,000 acres that need PCT and are hoping to accomplish as much as we can. The PCT stands we inherited from the Forest Service are beautiful. It is amazing the difference in the forest and growth of the trees and the health of the forest.

Nathan Lojewski: Is the Icy Bay work on the east or west side?

Jeff Hermanns: All our lands are on the west side. We have an active gold exploration project out there now.

Nathan Lojewski: I've been chatting with Chugach Alaska Corporation. They are interested in PCT but all their lands are on the east side.

Jeff Hermanns: We should talk. We have a lot of acres of second growth out there. When we close the road system out so it would be tough to do much beyond that.

Inventory Update: Miho Welton, DNR/DOF

- FI Forester walked through the John Alden web application and how to view, sites, plantings, and provenance from the study of the life cycle and growth potential of non native trees in the interior and in southern Alaska.

- Gave an overview of the Forest Inventory Analysis (FIA) program. National Inventory program led by Forest Service on all lands. Annualized inventory: 10% of permanent plots. Strict confidentiality. Quality assurance program.
- Interior AK FIA locations and progress update. Approximately 1800 field plots have been completed since project launched in 2014. After 2025 season, estimate 40% interior inventory will be completed. This is going really well. DOF has a Joint Venture Agreement with the Forest Service. DOF technicians and foresters are the ones collecting the data. Spent about \$16.5 million of federal funds since 2016.
- US Forest Service is looking at potentially redesigning the Interior Alaska FIA to reduce intensity to less than half of the current intensity. Main goal is to redo the cycle in 15 years. If this happens it will be implemented in 2026.
- Cooperative Alaska Forest Inventory (CAFI) that DOF took over from University in 2020. 5-year interval up to 5 measurements between 1994-2015. Frequently used dataset. Will move to a 10-year interval moving forward. This focus is on more accessible stands. On track for completing 200 plots in 10 years.
- Working to use FIA pilot plots for early detection of forest health issues.
- Last Forest Inventory update item is the Fort Wainwright and training area inventory funded by DOD, started in 2001. This will likely be the last cycle of measurements.
- Miho reviewed mobile laser scanning data technology they are beginning to use in the field. Technicians can walk along plots to collect lidar data.

Jeremy Douse: So you are doing the plots just with a scanner?

Miho Welton: For these plots, yes. The goal is not to completely replace but to reduce the amount of ground measurement. On these plots, we did both so we can see how accurate.

John Rusyniak: So you are trying to grow the work with this mobile laser so you are not walking around in the forest, you are covering a bigger area quicker?

Miho Welton: With this one, yes. I've done some drone work before and I know Nathan does a lot of that. I think with a drone it's kind of similar- black spruce stand is much easier but hardwood stands are much harder. That was about 6 years ago. The technology has probably evolved since then. Drones are another tool we could definitely utilize.

Jeff Hermann: [Question inaudible]

Miho Welton: FIA stays at probably the same level. With the redesign, in order to do the 15-year cycle we need more money. Initially funding wasn't an issue and just thinking about design. Now they will probably not increase funding. Even though now the main goal is the 15-year cycle, if we don't get increased funding it will probably...[inaudible]. The other programs- CAFI is collaborating with UAF and using their Forestry capacity to continue. Hopefully those continue for a long time. FIA remeasurement just finished second of three years, so we have one more year of funding.

Nathan Lojewski: The FIA remeasure with the G-LiHT data, is that new acquisition of the G-LiHT?

Miho Welton: Yes, so they flew the G-LiHT in 2011 for the pilot project and then reflew over the same part in 2015.

Carbon Program Update: Trevor Fulton, DNR/DOF

- Trevor provided an update on the Carbon Offset Program, history, milestones, where the program stands and plans for future. Milestones are regulations adopted July 19, 2024. Request for Proposal (RFP) out and should finalize an award soon- seeking a project developer partner for forest-based projects in TVSF, HSF, and state forest classified lands in the Mat-Su and Kenai. Next steps are feasibility studies in four areas, Evaluation/Best Interest Finding, Registration. Part of registration process is forest inventory at a very granular level and will probably be the most expensive part of this whole process. Goal of accreditation and sales by end of 2026.
- Forest management plan revisions: SB 48 require carbon projects be consistent with forest management plans and that MPs identify lands appropriate for carbon projects. This was covered at length earlier in the meeting.
- Future opportunities that could be presented through the carbon offset program are reforestation, biochar, wildland fire, wetlands, kelp, enhanced rock weathering.
- Carbon leasing program is a separate program managed by DMLW, also created with SB 48. It is in development. A third party can lease state land and develop their own projects and keep revenue themselves. They would compensate the state for the use of that land. Current statutes do not allow for the transfer of management authority and the transfer of timber rights that would be needed for a third party to develop an improved forest management (IFM) project, so we don't see a path forward for IFM projects under the leasing program.

Ketih Coulter: So the carbon registry changed the rules and now landscape for carbon isn't the same as it was. It is kind of a big deal I'm surprised you left it out.

Trevor Fulton: I was anticipating the question Keith I appreciate the heads up on that a few weeks ago and am happy to walk you through that. Yes, one of the couple carbon registries that we've identified as being the best fit for IFM projects on state lands is ACR- American Carbon Registries IFM protocol. They did do a revision that is IFM 2.1 and there are significant changes, particularly in the way they allow baselines to be calculated and set. They are now calling them "dynamic baselines" and it involves more period reevaluation of those baselines to make sure they are tracking with any changes. In the previous methodology, you could essentially set that baseline for a significant period of time- I believe 20 years. Now it is looking more like a 5-year evaluation interval. That will change the way credits are generated and the number of credits that are generated. Conversations with project developers have shown that there is concern about it, they are still trying to figure it out. There may be a silver lining in that it is in a response to market demand. People who purchase these credits are looking for more assurance, greater integrity, more

credibility and transparency with projects. I think ACR's goal with the revision was to address that. If we can address all of that, it may be reflected in higher-integrity credits and greater prices as well- more of a price premium for projects issued credits under the new methodology. The short answer is that we are still figuring that out and are looking forward to working with a project developer to see exactly what it means for the State of Alaska.

Nathan Lojewski: If the baseline is changing on a five-year window if timber markets change or improve, it could theoretically look better in the future for credit yields? Would that be accurate?

Trevor Fulton: I sure hope so, but I think that's to be determined. If that is the case, it would be another silver lining. We will dig a little deeper.

Keith Coulter: Isn't it going to change how you are approaching the amount of acres allotted to carbon in general? I just went through this with Finite Carbon on a couple of pretty juicy projects, and they dropped them because they said it won't be lucrative enough under the new ACR rules. So I guess I was curious- if you needed 10,000 acres before, now you need 50,000, and what kind of environment that puts the timber side of things into.

Trevor Fulton: Another great question and I think that's just something that's going to have to be worked through. Finite Carbon revenue needs, internal ROI, what they expect probably looks very different from what the State of Alaska's is. So I can't speak to their decision to not pursue projects in Alaska, but I know the project developer that we're hoping to work with is interested and still sees a lot of potential up here, as do we.

Nathan Lojewski: I have two different questions. 1) Can you be specific on that wildfire mitigation protocol, what registry is it on?

Trevor Fulton: I mentioned two. The one already out there is under CAR's Carbon Forward, which would generate FMU's- forecasted mitigation units, they are a slightly different animal. I don't think there is a ton of demand for those credits right now. The one currently under development is through Verra, would be a more traditional carbon offset credit-based protocol.

Nathan Lojewski: You issued an intent letter on a RFP for hiring a developer? Is that public?

Trevor Fulton: The Notice of Intent to Award isn't posted but I believe it's publicly available upon request. The vendor that we hope to move forward with on the project is Terra Verde.

Jeremy Douse: Trevor there were two questions earlier I want to make sure that we capture. 1) Where do the funds that the state receives from these carbon projects go to.

Trevor Fulton: By SB 48, 80% goes to the General Fund which is available for the Legislature to appropriate to any State purpose it deems appropriate. 20% goes into the Renewable

Energy Fund, which is a grant fund administered by the Alaska Energy Authority and provides funding for renewable energy projects throughout Alaska.

Jeremy Douse: That was the second question so I think we're good.

Jeff Hermanns: We are also working with Terra Verde on a carbon project. He sees a lot of opportunity in our second growth stand, particularly in Southeast. I know you excluded Southeast because of the timber but you have significant second growth stands down there that aren't going to be ready for harvest for a lot of years. Are you considering any of that?

Trevor Fulton: We haven't had specific conversations about that. We're very interested in what we can do to bring the most benefit of that resource to Alaskans and the State of Alaska. That is something we'll be looking at.

Keith Coulter: I have a technical question. In terms of additionality, can you speculate on how under Alaska is in terms of harvesting what we could be, and how you make a case for additionality when we're not actually harvesting that timber anyways?

Trevor Fulton: I can speak about it generally. That is going to be something we'll have to prove with the registry, and it will depend on which methodology we end up using. Broadly, you guys touched on it earlier when Trevor Dobell was giving his presentation and you were discussing allowable cut for Haines and Tanana Valley State Forest. That is going to be a good starting point. I think they'll also be looking at our general management plans and what our long-term management goals are for those areas. So the goal with these IFM projects, to generate that additionality, you must show that you are not harvesting at your maximum level. With AAC being somewhere around 10%, in theory, we could be- like down in Southeast, closer to 90% or 100% of AAC being committed to harvest. It is going to be a matter of threading that needle and looking at comparable areas, comparable projects, and deciding what the registry is comfortable with in setting our baseline. I wish I could get more technical than that, but we have a lot to learn, and that is why we're bringing on an expert who has work on these types of projects throughout Alaska for about a decade now.

### **Public Comment**

Jeremy Douse opened for public comments at 1:00pm to anyone in the room or attending online.

Joe Young, Young's Timber Inc. – Tok, AK

I've been in business since 1993. I know the Division's been going through some transition and change and some of these recommendations are for the Board to consider for change or not. This is my observations that I've seen. My recommendation number 1 is support an addition of two more Board of Forest industry seats. That would take the Board from 9 to 11 and would have an industry representative from Region I, II, and III which are three distinct forests. As the Governor what to do and how to do that, if you don't want to do it. I think it



would be good to have representation from each forest stand type in Alaska. My second recommendation is to support changes to upper management of the Division of Forestry in the Forest Management structure. So again, there are three forested regions in Alaska. There should be a Regional Forester for each forest type (Region I, II, III). I think that would take a lot of pressure off these regional managers and that regional forester would then be able to directly manage the area forests. It would improve services and timber sales if there was more activity at the area offices versus the two regional offices. I have a letter of these recommendations for the board with maps and new suggested layout of the new Division of Forestry management structure. Recommendation number 3 is regarding the expansion of the Tanana Valley State Forest. In October of 2023 Young's Timber wrote a letter to the Commissioner of DNR and Tanana Valley State Forest Citizen's Advisory Committee on the expansion in the Upper Tanana area, that is where I live. I recommended the expansion in the Upper Tanana area. In April 2024 the TVSF CAC passed a resolution supporting the expansion of the TVSF. I would like to see the Board of Forestry today pass a recommendation or support the expansion of the Tanana Valley State Forest. I am just trying to get everything on board. I know Jeremy has been doing a lot of work around that. I know the blessing of this Board of Forestry would go a long ways to help the cause. Recommendation number 4 is to support the inclusion in the Tanana Valley State Forest Management Plan the 2024 revision plan draft, the recommendations for additions to and withdrawals from the TVSF as stated in the Tanana Valley state management plan 2021 update. I would like to see the Board of Forestry consider passing a resolution to make sure that inclusion is in there, because it's the same old story. You have the plan, you want to expand, but there's nothing in the plan, so how can you expand. All of the revisions and additions in this packet are for the whole TVSF. But I am just considering right now the Upper Tanana. When it's all said and done, hopefully all the state forests in Alaska are expanded and under the control of the Division of Forestry. I think that way we can dictate our own history and don't have to worry about Division of Lands and worry about these people, that people, because everything is in the State Forest and primary purpose is forestry and other multiple uses. I don't know how it is in any other area but as soon as I punch in a logging road all the recreational people with their four wheelers are coming in behind me. Hunting, fishing, berry picking, trapping, sight-seeing, bird watching. It's amazing the amount of people that come through my timber sales.

Chris Maisch - Retired State Forester and Forestry Consultant

I wanted to start with the Good Neighbor Authority (GNA) sales. I am really surprised that we've only done two of those in the Division. I encourage the Board in your letter to the Governor this year to encourage additional GNA work with the Forest Service. I know you need to have a willing partner to make that happen but the State should be pushing very hard to get them to move into their young growth timber and have an active program there. That's the only way we can get any real manufacturing back in timber in Southeast- getting timber sales out, and that is not happening right now. Carbon program. I provided comments into the regulation process. I want to encourage the Board to engage where you can on that. I personally think a Science and Technical Committee would make sense, the Board has used that process many times in the past in conjunction with the Division. The

Division of course organizes and runs Technical Committees and they make reports to you, but you have dialogue with them. You ask a lot of great questions this morning already Keith, as did others. The State program should be a bell weather program, especially with IFM type/voluntary management. You had a key thing, how much additionality is really being added to this. Is it really just business as usual and it looks like additional? A very rigorous review of- does the carbon program really meet the intent of sequestering. And new carbon- not the carbon that's already there. Reforestation Program. Great to hear you got a budget and money to plant trees. It might be time to take a look at the species mix that's allowed. I'd encourage pinus and larix to be included. I know right now it is just spruce but give a little more variety in the forests and those trees have already shown that they grow well here under the conditions that we have now. Susitna Forest Management Plans. It is great that you are updating the plan. I would highly recommend as we have in the past the Susitna State Forest be considered. This was a recommendation from the Timber Jobs Task Force. It has a lot of recommendations to support the industry. A lot of them are enacted, there are still some that are left that were not.

#### Tom Nerbonne, Logging & Milling – Tanana Valley

Own a logging company in the Tanana Valley. We do quite a bit. We are one of the main operators in the Tanana Valley. Our main concern is this carbon credit thing. We just- in no uncertain terms, we are not for it. It seems like the State and Forestry should have more of a business plan approach to this. It seems like there is too much up in the air and it seems like the timber is getting hijacked for other purposes. If you look at what they want, they want to take the best stands and lock them up. I don't know if it will affect us or not. It seems like it will, because we hardly have any roads in the interior, and they want it established in already existing places. There is not too much outside of what we already have existing. There may be some. I don't have much to say about this because I am not anybody, really, but it seems like the State doesn't have a plan- there is no off ramp. If it's not good for us, how do we get out of it? The money always trumps anything I'm doing. The big money's going to kick me out and I'm going to be selling toothpicks or something. So, I would like us to consider- there has got to be some long-term business approach that guarantees operators like me at least 10 years of something. Not just saying we'll figure it out as we go. Yes, there are some things in business you do figure out as you go but you do have to have a plan in place that takes care of those people. You can't go build a business off of promises. The State shouldn't be doing that either. We're smarter than that. I would just like to have some guarantee of something, that we will still have timber available to us for the next at least 10 years. The way it reads to me right now is that they are going to get the best stands. You're done. I don't know where it leads from here. I know it is not nefarious necessarily, but when you are on this end of it- we've been in business since 1989 and I've put my whole lifetime into this. I have a son-in-law that's coming up behind me. I've got people involved in this. I've got millions of dollars over my lifetime invested in this. I've brought equipment up here, the money gets spread around to people that work here. I'd just hate to see this get gobbled up into something that's not really spelled out. To me it doesn't feel spelled out at all. There is no recourse to this. This isn't something like- if you burn the cookies, you'll make another batch. This is not that situation. You are in for a while on this

with carbon credits. From what I understand- and I don't know if it's true or not, but in California their resources got burnt up. Like last year, we had a fire that burned millions of board feet. If you would have had that in carbon credits, you owe them. The carbon that is not being sequestered because it got burnt up. Unless you have some other recourse. Some of these things I'd like spelled out. What's the liability? I guess it's more of a look before we leap thing, and I don't know how it all works out but it makes me a little nervous. And for someone that's put my whole lifetime into this, it feels like I'm getting sidelined a little bit. If there would be some guarantee for us as operators, and I know Joe Young needs timber, we need timber. It's the backbone that builds this place and keeps people going, keeps livelihoods going. There are people that depend on it. Not everyone can go buy a 5-star home, they just need some lumber to build themselves a dwelling and do it themselves. It's going to knock those people out. Be thinking. Look before we leap.

#### Tom Paragi – Fairbanks

I appreciate the Board of Forestry continuing to ask good questions about the carbon sequestration contracts. I also recommend a Science and Technical Committee for carbon forestry to look at both forest ecology and the economics of it. I want to point out just this month, a paper was put out by a team from Dartmouth College that had come to the Citizens Advisory Committee for the TVSF a few years ago. They offered a model of forest stand dynamics over a couple middle-of-the-road climate scenarios so DOF and citizens could consider a couple different outcomes of management scenarios and how they'd be affected by climate. One of the key outcomes from the modeling is a projected decline in the tree biomass over the period 2020-2100 for most tree species with the exception of black spruce. Overall, a 28% decline in biomass by 2100. The actual biomass and carbon would have to be monitored by a third-party. But with respect to revenue the State might get from these contracts, its projected decline in biomass could substantially reduce the sequestration revenue over the course of the 5<sup>th</sup> year contracts. I encourage the board to continue asking good, specific questions about potential implications of these contracts before considering policy recommendations to DNR.

#### Keith Coulter

How do I approach this. The board positions are appointed positions. If you go opposing something like the carbon project, you have these reasons why, they seem to be valid, but there is an operation underway behind the scenes. This thing's going through. There's a lot of people behind it. I think they see a lot of dollar signs. I guess I wonder, from a board member's perspective, if you make too much of a stink, you could get sacked. I'm not afraid of it, but it's a distinct possibility. When you start leaning on people for "how are you doing this" and "why are you doing this" and justifications for all of it, the messages that keep coming back are we're working on it, we don't know yet, we don't think so, take our word for it. There is a lot of that right now. I've worked closely on several carbon projects now and think I understand pretty well how they work. These guys are right, they are hunting for the best wood, the best stuff that would make timber products. It seems like there is going to be some sort of show down in terms of who is going to get what. If the timber industry- just merely because of the fact that we don't have the revenue behind us anymore, and the

carbon project somehow has a lot of dollar bill behind it- it seems like these gentlemen are right, it's probably going to win out. There is no question there. Just some comments. It's a little bit spooky to me how it's going and the direction it's going. I guess I'm supporting a lot of those comments previously made by the public.

Clarence Clark

I want to add on. And I appreciate everyone's comments. If I'm correct, the carbon credit addition to the Forest Resources and Practices Act was the first time the Forest Practices Act was modified without Board of Forestry action prior, I believe? So it's already happened, and I think there were politics involved so we won't go over that. But I think it's reasonable now for the Board to put together a Science and Technical Committee to look at how we deal with this carbon statute that we have now, in connection with the State Forest system. Before we get too far down the road and decide everything goes into carbon credits, we make sure that we take care of the industry and we're not buying something that maybe really isn't worth buying. Again, it's not that we can go back and say the legislation was bad or should be undone, but let's not rush into something. Take a hard look and see what makes sense so we don't lose any more operators in the state and we have the ability to grow the forest products sector and not decline it.

Bill Morris

I was going to say something very similar. We do have the Science and Technical committee option available to us. And I'm a fish guy- I came up with all these same concerns and kinds of questions we just heard presented to us. It seems like we need to do something.

Denise Herzog

I agree with Bill. From the mining perspective I still am a little bit uncomfortable. I think mining and timber go hand in hand. I think that mining and locking up land do not go hand in hand.

Nathan Lojewski

As far as carbon credits, I guess I would share Tom's concern that there is not really a business plan in place. It's wide open- it can be done anywhere. I think carbon credits are an appropriate management tool but not for every single piece of land. It's a way you can generate revenue where it's appropriate. If you put all the timber operators out of business, you can't prove additionality and then you have no carbon anyways- or you're not going to be able to sell to the carbon market. I don't know if the appropriate place to do that is through forest management plans, but not all state lands are necessarily under forest management plans like State Forest land. But to Tom's point, if areas are designated as timber producing areas in a forest management plan they could then be off limits for a carbon program but I don't know how the state is looking at that. It is a suggestion. Getting a plan in place before you wholesale carbon credits everywhere across the state. A question from Tom- all the improved forest management protocols do have a mechanism where if you lose your carbon because of a natural disaster, windthrow, fire, bark beetle,

there is a shared insurance pool called the buffer pool that people put a percentage of credits into so the landowner is not on the hook for replacing a loss.

#### Tom Paragi – Fairbanks

In terms of disasters, part of this modeling is looking at climate and suitability for growth. Not necessarily looking at an event. It would be a slow decline. Whether you could take that into account with some of the risk pools, that's maybe a good question to put over to Trevor Fulton. If you are going to have an incremental decline over time, just due to a changing suitability of the environment, that's another factor to consider.

#### John Rusyniak

I'm relatively new to the Board and didn't grow up in this industry, but I've sat here today and heard over 20-30 different acronyms and I have no idea what they mean. I'm kind of in foreign language world here. Is there somewhere I could find out what those things mean? It would make this meeting more meaningful. I will email ones I wrote down.

Jeremy Douse closed public comment period.

#### **Forest Stewardship Program Funding**

Jeremy Douse mentioned that this presentation was specifically in response to a question that Nathan Lojewski asked about funding. Nathan explained that he became aware of a letter from the National Association of State Foresters and Society of American Foresters put in to get congress to lobby for maintaining the Forest Stewardship funding that comes from the Forest Service into the State Governments. Nathan wasn't aware that the baseline funding had been reducing since the law was initially passed in the 1990's. He contacted the American Forest Foundation who put the letter together and they mentioned it would be helpful if the Board of Forestry could write a letter of support to Senator Murkowski, Chair of the Natural Resource Committee. Nathan asked if the Board would consider that and asked DOF if the Board could get a briefing on what the funding issue is.

#### Ashley List, USFS

Ashley provided a overview of the Forest Stewardship program and it's funding structure. The program works to connect private forest landowners with technical assistance because half of the nation's forests are on private lands. A third of Alaska's forest lands are private. There are many cross-boundary issues like wildfire resilience, forest health, and forest products supply that rely on private forest lands. The federal government funds this program to address that. In Alaska there are currently 3.2 million acres in active forest stewardship plans. The program is voluntarily and provides participating landowners with a management plan that can recommend management activities for the landowner to consider. It makes them more likely to actively manage their lands and get the benefits that active managed lands provide.

- States can provide funding to the program themselves. Some states don't provide any funding and solely use Forest Service funding, other states have the opposite

where they fully fund the program and don't accept the Forest Service funding and then there is everything in between.

- Forest Stewardship funding is composed of two things: Forest Stewardship Assistance to State and Rural Forestry Assistance. These authorities stem from the Cooperative Forestry Assistance Act of 1978.
- It has a permanent funding authority but it is funded with discretionary funding annually. Every year, Congress appropriates funding at whatever sums they deem necessary for the program.
- There used to be complimentary cost-share programs within the forest service that helped landowners implement practices in forest stewardship plans. They have gone away.
- Between 2008 and now, State agency partners have been relying on other sources of USDA program practice payment assistance- primarily NRCS Environmental Quality Incentives Program (EQIP). Inflation Reduction Act also supported cost-share payment programs run under Landscape Scale Restoration authority.
- The regular funding is flatlined over the last 10 years. New supplemental funding in 2023 doubled the annual budget. This is still only about 5% of Forest Service budget.
- Forest Stewardship is one of the smallest funded of the Forest Service Assistance Programs.
- Over the last 20 years in Alaska, the program now has about 1/3 to 1/4 of its original funding level. Overall, nationally there has been a 50% decline from when the program began in 1990. Since the program began in Alaska there are significantly more private forest landowners (ANCSA, growing population, etc.)

Nathan Lojewski: It sounds like since 1990 the size of the funding pool national has dropped by 50%.

Ashley List: Correct.

Brian Kovel: Is all the money allocated for Alaska used?

Ashley List: Typically, yes. I'm not aware of it not being allocated, I'll say.

Keith Coulter: Is there any combining forces with the NRCS to broaden the range of programmatic objectives? Is there any traction there to expand funding?

Ashley List: Since the Forest Service cost-share programs ended, even before then, there was cooperation between the states and NRCS, in combination with Forest Stewardship program, to connect landowners to wildlife habitat improvement funding. EQIP funding continues now. I'm pretty sure DOF has their stewardship foresters engaged in forest management plan training with NRCS as well so that their projects can become eligible for EQIP. That would probably be a better question for DOF. In general, yes, most states are cooperating with both NRCS and Forest Service.

Jeremy Douse: Stewardship plans that come out of the Stewardship program with DOF, those foresters do work with NRCS. Typically, Stewardship plans are writing the overarching plans and specific practices that are written into the plan- if they are going to be implemented, the funding for those come out of EQIP.

Nathan Lojewski: I've done a number of these for different Native corporations. The Stewardship plan is kind of the gateway into the NRCS EQIP funding, where we can do the high-level plan, identify areas where the landowner wants to do something, timber sale, PCT, habitat improvement, etc. Then they can go to NRCS and get site-specific plans and funding to help implement that. Some of the Sterling fuel break on the Kenai was done with EQIP funding. We're working on planning PCT projects in the Price William Sound with the same model. It's an important program for the Native Corporations.

Keith Coulter: I did a couple stewardship plans this summer for Native Corporations. There seems to be a bit of a disjoint between what the NRCS is expecting with what the State is expecting the plan to say. Sometimes the NRCS is saying the State's plan wouldn't meet the expectations of the NRCS. Has that been dovetailed better?

Nathan Lojewski: It's still a mess.

Ashley List: For the Forest Stewardship program there are national guidelines. Then for NRCS Forest Management Plans, which is what needs to be counted in order to qualify for EQIP, there are guidelines. I will say that at the national level, I've heard they are working on a crosswalk between the two. Other states have a crosswalk, where the state has worked with both Forest Service and NRCS to outline which components need to be there in order for it to count as both. It can be a bit tricky because the goals of EQIP are really based on site specific practices, whereas Forest Stewardship Plans can be more comprehensive and go beyond just the resource concerns that NRCS is looking at. Really similar but slightly different goals and two different agency programs. They don't automatically line up but there is room to make them work together better and I know that DOF, NRCS, and I have been talking about how to get there. I do think progress has been made but inherently there are some different data requirements.

### **Agenda Updates**

The board discussed updates to the remainder of the agenda to include the following items:

- Alaska Forest Association
- Hazardous Fuels Reduction
- Effectiveness and Monitoring Group on Roads
- Science and Technical Committee needs for carbon program
- Letter from the Board to Murkowski's office on Forest Stewardship Program funding

### **Alaska Forest Association Updates**

Clarence Clark – Alaska Forest Association

Overview on the history of AFA and services provided to the industry by the association. AFA stressed that they hope DOF moves quickly on additional GNA timber sales to address the major supply issue in Southeast they've experienced since 2016. Since then, the Forest Service on average has offered about 8 million board feet a year. Harvest during that time has been about 16 million a year. The last four years since the creation of the SASS concept, the average has been 3 million a year that the Forest Service has offered and sold. In 2023, membership of the Alaska Forest Association in Southeast harvested 56 million board feet, roughly the industry average for Southeast. There is a huge difference between industry needs and what is being provided industry. Forest Service has about 30 million feet of timber that has gone through NEPA that would be available for sale that they have not offered. This should be connected through GNA opportunities. There can be positive value timber sales offered if the state can combine their young growth with some of this Forest Service timber. Clarence reviewed the Timber Jobs Task Force 2013 recommendation of the creation of a 2-million-acre Southeast State Forest plan through essentially a land exchange and navigating the positions of State DNR and the Congressional delegation. Could we possibly use lands due through the Statehood Act that have not been conveyed? AFA has drafted a bill to introduce on this subject and they would appreciate the Board of Forestry to consider in their annual letter to the Governor to back this land exchange. AFA explained this is in anticipation of the industry collapse and an attempt at a preventative measure.

AFA thanked the Division of Forestry for the work they've done with bridge timber programs that have provided critical wood resources to the industry while the largest owner in Southeast has not produced. We know the State and it's land base is not sufficient to keep the industry going forever. The most recent bridge timber program asked for 100 million feet over a period of 3 years to maintain the existing industry while they seek this land transfer.

Brian Kovol: This is very interesting to hear about this history and the land transfers. As you mention your plans to look at selected lands that haven't been transferred to the State and swap those out for other selected lands- is there a plan that we can look at?

Clarence Clark: Yes, there are some maps we can share. I will send to Shannon to distribute. I should mention that the idea of the 2-million-acre exchange is not totally about timber resources. That land transfer would do several different things for Southeast Alaska. We've shared the idea with both DNR and the Governor's office is that 10% of the land transferred would go to communities in Southeast to address the lack of private land. Look at the landslides the past couple of years. Safe affordable housing? These 2 million acres would help by putting lands into private or municipal lands. The transferred acres would not do away with the Roadless Rule, but it would do away with it on 2 million acres. It would help further renewable energy- or just energy period. Multiple energy projects were put on hold because economics don't pencil out with Roadless Rule. Land allocations to veterans that are still outstanding could be taken care of. Part of the acreage would go to a timber program. Not all the acreage is needed, we've talked quite a bit about carbon, but the idea is that part of the acreage could go into some sort of offset project. Why we think about



that- and again I truly believe that a Science and Technical Committee about carbon needs to happen, but right now the Forest Service is managing 16+ million acres in a very passive manner. The federal government does not have the ability to do carbon credits but the state does. If land is put in the state hands and all we wanted to do was passive management with carbon credits, we could generate a really interesting amount of money that could be used for, if nothing else- education. There are a lot of things we could do putting lands in state hands.

Denise Herzog: What do you need [inaudible]

Clarence Clark: Include in the Board's letter to the Governor to back the land exchange in Southeast. We are trying to be the champions of land exchange but we know that it's state land, a state request- so state needs to figure out where the lands are how they want to manage it, we are trying to provide options. Removing LUD 2s and Wilderness Areas comes to about 5 million acres which is what is due to the state.

Jeremy Douse recommends reviewing the Timber Jobs Taskforce reports from 2013 that are available on DOF's website.

Ketih Coulter asked who is filling in behind the AFA and where is the industry going to go. Is it only representing Southeast or is it supposed to represent the entire State?

Joe Young said he was on the AFA and they've helped him out in the Interior. They are not only focused on the Southeast.

Clarence Clark acknowledged that AFA over the last 25 years has done a poor job of representing the state as a whole and they are working to change that and be more inclusive. They have been working to ensure people recognize there are three distinct forested regions in Alaska and they have been stuck with issues in Southeast. He discussed the shift to forward thinking and attempts to work with Forest Service to get the next generation of timber producers and wood products in place.

Keith Coulter: How about working with media differently? Is there funding you could chase to develop targeted information campaigns? Oregon, Idaho, they all do that.

Clarence Clark: Yes, they all do that. And the cost of doing that is amazing. AFA is funded by membership dues and as the membership shrinks... you know. We have been talking with DOF about putting together some meetings with operators in the various regions to work together to meet the needs. One of my favorites is Tenakee Logging, small father-son operation, are the "poster child" for what the Forest Service wants to see in Southeast. Working with young growth, selective harvest, minimum touch. They haven't received a timber contract in 5 years and are out of timber, they needed 5 spruce trees to fulfill a contract order. AFA stepped in and helped connect them to some of the people to help. This is how broken the Forest Service's timber program is. The five trees they needed- the

Forest Service suggested the person who was buying the manufactured wood from Tenakee Logging apply for a free use permit which is 10,000 board feet of personal free use. They could then harvest it for them and mill it for them. That's what they did. They couldn't get the timber sale, they went through a free use program to do it.

Keith Coulter: The Forest Service doesn't even address it at the meeting. They're not even in the same galaxy.

Clarence Clark: So we are working to improve our image and be more statewide and involve most people and involve not just the larger operators but smaller as well. Anyone who wants to get into the forest products sector deserves the opportunity to bid on timber to do what they want. It's not any landowner's responsibility to provide timber to anyone. But to provide the opportunity is what landowners should be doing and that's what we're pushing for.

Nathan Lojewski: The Vietnam Vet Native allotment that's an issue. I've seen some of the lands that have been conveyed. Some of them are on glaciers and surveyors are having to set monuments a mile off-site. I wasn't aware of this legislation. Is that is addressing that and making more lands available for selection?

Clarence Clark: I am not sure if it really resolves some of those issues but I know Senator Murkowski has introduced it. We've suggested including urban corporations or "the landless" and using these 2 million acres to address multiple issues we've been dealing with in Southeast for decades. Senator Murkowski asked us not to include this in the bill.

Keith Clark: If you play the devil's advocate it seems like there is going to be 1,000 opportunities for detractors. It's a political hot potato.

Clarence Clark: Yes, we are going to need an aligned administration and Congress. Senator Sullivan suggested he would include this in a "first day initiative."

Jeremy Douse addressed the time constraints to get through remaining agenda items but acknowledge the importance of the conversation.

### **Hazardous Fuel Reduction**

Norm McDonald, Deputy Director of Fire Protection

Gave history of DOF receiving roughly \$17 million in Capital Improvement Project funding starting in 2019 after a significant fire year. The funding was put into people- building a fuels staff for the fire program, equipment, and projects themselves. 26 projects were funded under that program and 20-25 additional that were leveraged by this program to get federal match dollars. These resources cross over into the Forestry/Resource program support as well. Around the same time, the Community Wildfire Defense Grant funding opportunity was rolled out and allowed the State and other entities go for additional planning or project implementation funding. Fuel breaks are being implemented from Homer all the way up to

Fairbanks and out in Western Alaska. It is also a building block we've used to build capacity with firefighting resources. We train them, get them onto a fuels crew to continue training, then bring them onto a fire crew.

John Rusyniak: Out of the \$17 million, how would you say the 3-piece pie is divided? \$4 million was equipment.

Norm McDonald: Yes. Then just under \$1 million for people. Then the rest goes into projects. Some of those projects are not state. We've gotten that out to local communities. People can do defensible space around their homes and need places they can haul debris. Tok started a woody debris disposal site in the late 90s. Delta has one, Mat Su Valley, Kenai, Fairbanks, Denali. So instead of burning their brush piles they bring it to a location where it gets chipped, shared on the landfill. It's a grassroots effort to reduce fire hazards. We can do the big fuel breaks, but people have to take care of their own back yard.

Nathan Lojewski: I know the state was seriously looking at getting some of that funding into rural Alaska off the road system.

Norm McDonald: Yes, most of that work has been done in the Upper Kuskokwim area. We have a base out of McGrath that has been successful in doing some of that work. Some work has been done in villages in partnership with DOT around airstrips, etc. This is somewhere we can put more focus but it's tough. A lot of real estate and tough to get to but we are building it up. Something I'm excited about that I talked to Joe and Jeremy about, we can implement fuel breaks- some of these are 10 miles long and 300 feet wide, and if there is a way to get some of the timber off of those whether into the public's hands for firewood or sawlogs, that's the goal. We can do both. If there is timber out there finding a way to cross those over and looking at opportunities to provide more timber from these projects.

### **Effectiveness and Monitoring Group - Roads**

Shannon Miller, Special Projects/Board Liaison, DOF

Provided an update on the October meeting of the Effectiveness and Monitoring group to discuss the road concerns that were brought up at the last Board of Forestry meeting. The group will look at FRPA regulations to see if they are still applicable to the changing environment. There was an hour-long conversation about how to define what it is we need to look at. The decision was to set up a Science and Technical Committee. Really the intention is to focus in on the regulations as they read and look at our current road environment. Eric Nichols had identified a few different things that he wanted to have address: 1) Scientific approach to sizing culverts, wanting to make sure we are protecting the environment in a cost-effective manner, 2) Take a look at new definitions for temporary roads.

When the group met, it was stressed that they want to take the time to look at all the road regulations and digesting information outside of the hour-long working group meeting. That is the next step.

Jeremy Douse: Yes, we need to define specifically what the problems are. Keith was the only Board member I believe on that call. Bill Morris tried to be, and Jeremy confirmed Tom Paragi was on the call. The attempt was to try to put sideboards on the issue. What was mentioned is that maybe it would have been helpful if Eric was there because he was really the one who pushed this issue forward. We went back through the notes and tried to highlight specifically what was coming out of this. I guess the overarching issues is addressing how to engage in second-growth management in a cost-effective manner. Because these regulations were written when we were going first entry into all these stands and it was all old growth with more value. 1) Come up with more scientific approach on culvert size 2) Protecting resources in a cost-effective manner 3) Coming up with better definitions of inactive roads. I've also heard from Jeff Hermanns on utilizing different types of material in the road base and developing practices that are acceptable in that manner. The question back to the Board is- if we are going to put a Science and Technical Committee together, if we are going to go through this process and develop new regulations, it seems to me like we need to define the question and then hand it off to a Science and Tech Committee to really drill in on the literature, look at the science, and then it goes to an implementation group for people that are working on the ground to start implementing these regulations. Just like we've done with reforestation and the landslide issue. The question back to the Board is- How are we defining this question? At least come up with an approach. We could put another subcommittee together to really drill into what the question is and what the problem is and then have them hand it off to a Science and Tech Committee. OR, we could have a Science and Tech Committee develop both the sideboards of the issue and dive into the science.

Shannon Miller: The thought process was to set up a Science and Tech Committee. But, to Jeremy's point, there may be another step there that we might be missing.

Keith Coulter: Just to get culverts out of the way, they've had academic exercises on it for 100 years. You look at the water shed above it and all that stuff. Is that really an issue?

Clarence Clark: It's not so much the sizing, it's if you need a culvert or when you need it, and the idea between permanent and temporary roads. What do you call what and what the requirements are when you have to do when you are building a temporary road.

Keith Coulter: The real and only red flag I got in that conversation was that maybe Eric was really trying to address constructing a temporary road and trying to get around FRPA regs because the road is going to be temporary so it doesn't have to be built to the same design standards of an all-weather road. I don't know if that got glossed over or not but it seems like that's a whole other animal. That's why it would be helpful to have Eric here.

Clarence Clark: My conversation with Eric goes past roads. And this may be a regional question vs. statewide, as Region I is transitioning. Do we really need to look at the Forest Practices Act in its entirety and see if there are needs for adjustment? FRPA is almost 35

years old. Are the concepts that we used still relevant? Are there other topics and concerns we need to be thinking about? Equipment certainly has changed in the last 35 years. Different logging methods when you go between young growth and old growth. Eric really likes to talk about cost and what it's costing. Right now in Southeast we can barely find someone that wants to build roads period. Then to try to afford the cost of the road. I'm not sure if that's an issue the Board needs to talk about, if Forest Practices Act needs to adjust. Again. Looking at Forest Practices and saying- is there a need for change. Especially with the roads and with permanent versus temporary and I think there is a 7-year period of use with temporary. Again, is that reasonable now? Do we really need to stop and look and say, what's happening? What happens when we start looking at setting land aside for carbon offsets for 40 years and we already have a road system developed. Do we need to maintain that? How does that work in as far as putting it to bed.

Nathan Lojewski: But are there some new methods for getting across streams we didn't know about 30 years ago? Are you just going to drive log trucks through the streams and not put culverts in?

Clarence Clark: 30 years ago, all drainage structures were logs. You put in a 3-log culvert or what was known as a punch-in culvert, or you used French drains or log stringer bridges. We changed from that and used corrugated metal pipes and now we use plastic.

Keith Coulter: On a contractual basis, wouldn't the contract outline design elements of the road aside from FRPA?

Clarence Clark: To a certain point.

Keith Coulter: Well maybe it's not a very good contract then. I mean, if they want to know why the road has these design elements and they come in and want to do a temporary road, that is not with the contractors out there and that's not a FRPA thing.

Clarence Clark: There is quite a bit of land being developed and has been developed without any plans except for the sale of parcels of land and the purchaser does what they believe is appropriate for removing the timber.

Denise Herzog: Are we obligated to consider long-term uses of that road?

Clarence Clark: I think that's part of the question Eric is driving at.

Bill Herzog: That was a big part of what Eric was getting at. These road systems become a big part of the community- especially after 7 years, and they go back in and spend a bunch of money to remove them and remove that access, which is kind of ridiculous. But then you are inviting a long-term maintenance, a long-term cost to keep those going. My recollection, the last time this all came up a long time ago, there were stumbling blocks in

going forward based on language in the Farm Bill, and I can't imagine any of that is changed.

Shannon Miller: Some of the things that came up last week had to do with the Clean Water Act and there is an exemption for silvicultural roads. The silvicultural exemption. Otherwise, you need a Corps permit if it's going to be on the landscape forever.

Jeremy Douse: If the use changes and upgrades are made to the road then a corps permit is going to be required.

Bill Morris: So if you go into it knowing that's going to be a long-term goal, you already invite the corps in.

Nathan Lojewski: It seems like what we're talking about it just going to increase the cost of forest road construction because they are going to have to be built to different standards if it is not really a forest road. If it's going to be for a subdivision, etc.

Clarence Clark: But how many times do you really know the future of what that land's going to be? The Village Corporation around Ketchikan now they built all their roads and harvested timber off of it under FRPA. Now they are leasing out parts of their forest land base for tourism. But they are still growing trees to grow trees. They are PCTing and managing their forest stands, but there is a different use going on there.

Jeremy Douse: The silvicultural exemption does allow for other uses. As long as the primary purpose remains silviculture.

Denise Herzog: But is it fair to ask the timber company to bear the brunt of the cost of a "permanent" road? If they only need it for 7 years?

Clarence Clark: It's not. And the other piece of what we are talking about is if a landowner does not want to close the road out, they don't have to. They're responsible for maintenance and any issues but it's not a requirement that they close that road out.

Nathan Lojewski: So what is the purpose of standing up a Science and Technical Committee? Is it to try to identify cheaper ways to build forest roads?

Jeremy Douse: I think it's to identify if other regulations could still meet the intent of FRPA. So protecting fish habitat and water quality.

Keith Coulter: I don't understand what the research question is. We keep talking about a lot of different topics. But what is the question?

Clarence Clark: I look at it as a review of Forest Practices Act. Does FRPA need to be updated and what sections need to be updated.

Keith Coulter: Aren't we opening a can of worms? What if the leftists start getting on the committee and start coming up with design standards that get more costly?

Clarence Clark: I'm more worried about some of the information that is going into forest land use plans DOF is putting together. I think any "leftist" could question any culvert column, any stream, on any road, and say prove that that meets 100-year storm. I don't think there is any information on any creek that provides that. If they carry it through because they have to pay for courts for suing the state, would they? I don't know.

Keith Coulter: I brought up the example of the House Bill about the salmon a few years ago, when they wanted to change every segment of stream to anadromous- those are the kinds of things I worry about. Is this going to morph into some kind of massive rule change? I've worked with the system closely and maybe there are some glitches but it generally works.

Denise Herzog: But I didn't think we were going to open up the whole thing to question, are we? Are we going to look at broad scale? Or a specific section?

Jeremy Douse: For roads themselves, yes I think we were just going to look at specifics.

Jeff Hermanns: It's frustrating because I think part of it is implementation. I'm dealing with a FRPA inspector saying roads are built to a temporary standard. We've had storms down there that have caused massive landslides all over Southeast Alaska. We didn't have a single compliance issue on our road which to me means we've built that road to a permanent standard. Our interpretation of that being up to a permanent road standard vs. temporary road standard...If I get a bad compliance report and we think we are building the roads to an adequate Forest Practices standard...There is no road standards in Forest Practices. There is this ambiguous thing of 7 years. And nobody can really define them.

Jeremy Douse: The 7 years? I think that was for reforestation.

Jeff Hermanns: No, 7 years for temporary road vs. permanent road.

Jeremy Douse: Yeah, but I think the temporary was to make sure that the reforestation was completed after 7 years. Those two dovetail.

Jeff Hermanns: We notified these roads under temporary road standards because we don't know what the plan is. Some of the DOF doesn't know where they're going to log 5 years from now. But we're out there and we've got miles of roads that we've not had any compliance issues on but we're being told by DOF that we should close these roads out.

Jeremy Douse: So we are saying you should close them out? Or you should upgrade them to permanent standards?

Jeff Hermanns: Well that's the thing. It's either or. It doesn't make a permanent road just because – they're saying you need to go shoot a full ditch line to make it a permanent road.

No. There is no engineering benefit to making sure shooting a ditch line in or upgrading every culvert- you're talking doubling a road cost. Our road costs already are up to \$250k a mile. The difference between us being in business and logging and not is razor thin right now. The quality of a road, the difference, we just had a road builder come into Shelter Cove and lasted one and a half months and walked out. It is a big deal. Everyone being on the same page of the standards for that.

Jeremy Douse: So that is circling back to the question then. Quite honestly it is an economic question. Given the resources we are managing now, which is second growth, can we operate, still protect fish habitat, protect water quality, and change some of the standards for these roads. That's the question.

Joe Young: The road standards you have to build new roads or permanent roads to is on your timber sale contracts, designed by the Division of Forestry road engineers. I know in the boreal forest if we do that, you're going to go broke building roads to these standards. If it's a logging road that need to be built to these standards you have to downgrade it to a skid trail to be able to operate or you go broke. Whether it's in FRPA or not, the road standards you have to build to are in Division of Forestry's contracts.

Jeff Hermanns: We have contracts that will say you will abide by Forest and Practices Act. We don't micromanage. Our whole point is we've done this for a very long time. We've had a 90+ score with all our FRPA inspections. We have an exceptional success rate at Forest Practices. We want to look at keeping our roads open.

Joe Young: It would be good to take those road standards out of our contracts, that's what I'm saying.

Nathan Lojewski: From a Forest Practices Act standard, why can't you keep your roads open? Is it not allowed in the Forest Practices Act to keep roads open?

Jeff Hermanns: That is the whole thing we went back to Jeremy, right? Inactive status versus...

Jeremy Douse: Yes, totally understand people wanting to keep the roads open. The issue is that when the road was first constructed it was notified as a temporary road and then later the landowner wants to keep the road open. Bringing it up to permanent status is the issue.

Nathan Lojewski: So FRPA has two different standards for temporary and permanent construction.

Jeff Hermanns: It's not like we're not putting culverts in. We are. By all practical purposes we build our roads to a permanent standard but we notified them under temporary.



Jeremy Douse: One of the issues, the roads you've been constructing most recently you've used [woody biomass]. It says specifically for permanent roads that's not allowed. It says, "Any significant amount of organic debris within the load bearing portion of the road is not allowed." For a permanent road. So that's an issue if you are going to make it permanent.

Jeff Hermanns: So that's the purpose of the Science and Technical committee. Because that's never been looked at to say, is that really an issue.

Chris Maisch: It might be time to look at BMPs, and maybe just for Region I.

Jeremy Douse: Well, it is not the same issue certainly not in Region III and I don't know if it is in Region II.

Chris Maisch: Could be some training of your inspectors too. And how they are looking at things to make sure they're all looking at it the same way.

Keith Coulter: Well, what if you don't like the answer. If the Science and Tech Committee comes back with

Jeremy Douse: The worst the committee can come back with is saying you have to stick to existing standards.

Chris Maisch: I can give you perspective, if you want. Science and Tech group looks at the science, engineering, the technical aspects. Makes the recommendation to the Board, then you can talk about that. Then the Implementation Group takes it. So those are the people that have got to live with this and build it and look at the economics of it and ask does this make sense? Is this doable or not? They will make their recommendation back to the Board, you talk through that again and then take a final action. So, if you don't like it, there is room for discussion. These are just recommendations.

Jeremy Douse: But we still need to define the question.

Nathan Lojewski: It sounds like, if you have a temporary road, and you don't want to have it be temporary anymore you want to make it permanent, how do you transition it from a temporary to a permanent? Do you have to go replace all your structures to meet the permanent standards? Or is there an intermediary you can do?

Jeff Hermanns: That is one of the issues, yes. The other is we decide to keep the roads open, we're doing PCT, carbon, whatever,

Jeremy Douse: A new definition of "inactive?"

Jeff Hermanns: Exactly Jeremy, that's right. Because it was never envisioned back in the day, most people were closing them out at the end of logging. People weren't really thinking about this road going forward for the next 50 years.

Clarence Clark: Or you are looking at access to other property. You're looking at timber sales in the Shelter Cove area. Division of Forestry. You're looking at timber sales coming off the Mental Health Trust road system. Which is being built as "temporary roads." So now are they temporary or are they permanent? You'll probably extend the 7 years because Jeff's got a contract for 10 years. If you come in and use that same road system to access now, is that permanent? I think there's all sorts of questions you can ask. I start thinking about maintenance and the standards that some people were talking about that we as the industry need to keep and Denise, what's the maintenance standard the mining industry has to deal with? I'm driving over 20 some miles of gravel road that's actually a state highway and it's not maintained by DOT. So just because they're not in Forest Products sector/Forest Practices business they have a different standard? The Forest Service plan for the Tongass is they meet or exceed all of Forest Practices. They've got thousands of miles of road on the Tongass that violate FRPA because they are not being maintained. But we haven't said anything to the Forest Service about water quality on their road systems. There were two landslides I know about that went into a sockeye lake last fall that the Forest Service still hasn't opened up and dealt with for over a year. Is that really meeting FRPA? How do you balance all that and are we putting a burden on the industry and landowners dealing with timber harvest and forest management vs others?

Keith Coulter: The Forest Practices folks can't tell you to close a road can they? Can they make you do it? No.

Jeremy Douse: They can only make recommendations based on the regulations.

Clarence Clark: They can show that you are violating water quality standards, yes.

Jeremy Douse: Yes, if you're in violation of the statute then there could be some teeth there. If it is a temporary road and the landowner wants to keep it open, then the recommendation is going to be to bring it up to permanent standards and then you can keep it open. And that's all defined. Or the other recommendation would be to close it and you're no longer responsible.

Keith Coulter: Where I came from on Afognak we didn't seem to have those problems. We'd close the roads after reforestation. We'd close the roads for tax purposes because the borough would charge us. But you didn't have to do anything once they were closed. You'd poured your pipes and maybe put water bars in and that was that. It seemed like FRPA covered it just fine. There was no active discussion over something being inactive or active. If you wanted to open it up again you put your pipes back in and go to the next strip. We just didn't seem to have these challenges.

Shannon Miller: The Board can choose to put together a working group to hash it out with the rules in front of us. It obviously isn't something that can be done quickly. We've had three meetings now where we've discussed this. It might be an opportunity to get a working group together a couple of times a month and start really hashing it out.

Jeremy Douse: It's almost like a pre-implementation group right? To really define the problem here we need people that are implementing the regulations in FRPA. So before it goes to a science and tech committee to really look at hydrology and fish habitat and water quality, different practices and how it will affect those issues, it has to be refined. The question has to be refined.

Clarence Clark: It's a conversation between regulators and industry. How do we work together to resolve a concern.

Jeremy Douse: So that's the question to the Board then. Do you support this sort of "pre-implementation" group to try to define the question. This is something that is going to take some work. So probably by the next board meeting, bring this up again, and see if we are meeting the intent of what Eric and some others are looking for.

**Motion:**

John Rusyniak: I move that we establish a committee to dig deeper in this and figure out what the question is.

Norm McDonald: It sounds like one option may be to provide a tasking. If you are going to stand up a group, provide a clear direction and what the ask is. Other committees I've been a part of have gotten a tasking letter and what the intent is. So that whoever is assigned isn't trying to figure out what the actual ask is.

Nathan Lojewski: Eric and Jeff know what the ask is. We haven't been able to figure it out.

Bill Morris: Yes, without Eric here, it's hard. I had a different impression of what Eric was after versus some aspects of what's being discussed.

Clarence Clark: Ok let's take John's motion and make sure Eric is involved in whatever group comes out of it.

Jeremy Douse: I will throw this out to the Board. An operator, like Eric, a land manager, and a regulatory person. Then we can hash out the question.

Nathan Lojewski: And then that group would tell us if they think FRPA is good the way it is? If there are any issues that might need to be addressed? That's what the ask is then?

Brian Kovol: What specific areas need to be changed and what are the solutions.

Shannon Miller: I would think that the solutions would come from the Scientific and Technical Committee. So that would be the next step.

Bill Morris: We just need to figure out what the frame of the questions. We need someone on this pre-implementation group that has Interior road experience because what can pass as permanent in Southeast versus the Tanana Valley State Forest is different.

Jeremy Douse: Yes, it's a completely different issue up here and I'm wondering if this is just a Region I discussion?

Jeff Hermanns discussed different a Tok road example they built to standards without any culverts. It was functioning well and believes built to permanent standards. It wasn't maintained. That road would have functioned perfectly fine for the next 30 years if the swing ditches had been maintained.

Bill Morris: Well, that's always been the crux of it, right? Once use is winnowed down to nothing and nobody's maintaining it- nothing maintains a standard.

Jeff Hermanns: The road standards though, it's no different if you have a road with culverts in it and you don't maintain the culverts, those things can all blow up.

Nathan Lojewski: All roads require maintenance.

Bill Morris: That was the issue the last time this was brought up years ago. It boiled down to permanent roads require maintenance forever and someone has to pay for it forever. Should timber harvesters be responsible for that? Can the state still have marketable sales if they've got to maintain it forever? That's where it fell apart years ago.

Jeff Hermanns: The Forest Service basically priced the industry out of business the way they designed roads. You can design a road so fancy you can't afford to build it. But it doesn't necessarily mean you need that standard to meet Forest Practices.

Clarence Clark: The issue is maintenance. Not so much how you build the road, but if you maintain the road.

Jeremy Douse: Ok. It does sound like someone from the Interior, Region III needs to be included in this group.

John Rusyniak: I'm curious, did my motion fail for lack of a second?

Nathan Lojewski: We are having discussion but I second the motion.

Jeremy Douse: (***Vote taken – motion passes***) The motion is to put the group together and to have representation from landowner, operator, regulatory agency, and regional experience.

### ***Motion Passes***

#### **Carbon Science and Technical Committee**

Jeremy Douse asked if there was a motion to convene a Science and Technical Committee on carbon and then clarified, if so, there would be a second need to address what specifically their function would be.

### **Motion**

Brian Kovol: I make the motion to form a Science and Technical Committee to be informed on it. I think I'd like more information on it and to be more informed on what the Board needs to be on top of.

John Rusyniak: I second.

Nathan Lojewski: But the regulations are already out.

Brian Kovol: I know the regulations are out but they're implementing. How is that going to be implemented? Those are things that I think we need to be part of as a Board.

Clarence Clark: The Division of Forestry is responsible for the timber resources of the State. But I think it's a matter of carbon offset projects and managing the timber resources and how you do both.

Brian Kovol: I mean the contract has gone out to bring somebody on to make that happen.

Clarence Clark: I think the Board needs to speak now and maybe provide suggestions or recommendations on how implementation happens.

Jeremy Douse: So potentially, the committee is going to provide documentation and maybe some training on how carbon projects could impact forest management on state lands?

Chris Maisch: Society of American Foresters is working on a symposium for managing public forest lands for carbon sequestration in Alaska. It would be a 101 for people that are not that familiar with it as a helpful jumping off point. It just feels like there are a lot of unknowns about this and it would be a good opportunity to get everyone at the same basic level of knowledge to continue the discussion.

Nathan Lojewski: Well isn't part of the reason why this came up is because we're not sure whether the state can just enroll every single acre in the state in the carbon project? Doesn't it have to go through a public process?

Jeremy Douse: It has to go through a Best Interest Finding.

Jeff Hermanns: DOF is currently redoing the Tanana Valley State Forest and other state forest plans, that's where this comes into it.

Nathan Lojewski: But those are the only for State Forest lands. There is a bunch of land not in the state forest system.

Jeremy Douse: Yes, but they haven't been legislatively designated so they already fall under- they can already do carbon projects.

Denise Herzog: Isn't there that other group you can lease the non-forest land to a third party for a carbon credit and then they do the carbon credit?

Jeremy Douse: Right, then the state would just make revenue off the lease. It seems like because there are lots of questions and we are all wondering what impacts would be, we need to just get a current state of the market. A group of people that can provide information on the current state of the market and how these different options with the legislation that was passed could be implemented in Alaska and the outlook of how things are. That would be a good starting point.

Bill Morris: And more detail too. Initially we were thinking these things would enter the market on a 20-year schedule. Now with new methodology, every 5? And what I didn't hear in that discussion is did that change the methodology on the ground? If it doesn't, those inventories are a huge component of the cost. If we're now doing that every fifth year and it's the same methodology, that is a huge economic impact to the value of these sales and if we're pulling choice timber off the market from harvesters, it seems like a big deal.

Jeff Hermanns: Listening to Tom and Joe, to me we are primarily asking the question of what part of the annual allowable cut are you going to save out for the industry? That is the number one question to the state right there. That is the issue to bring to this committee to give guidance on.

Jeremy Douse: It sounds like a policy issue though. I mean the Science and Tech Committee is- to me it sounded originally like we were looking for information on how these projects would be implemented on state ground. I suppose we could call it something other than a science and tech committee. If the issue is policy and how these projects are going to be implemented on the State Forest, then that might be a separate issue.

Jeff Hermanns: The reason why a Science and Tech Committee is that Alaska has a tremendous history of thinking it has one volume of timber and then you go out there and there is significantly less timber. Right? So that is a serious thing. There has never been an engineering plan done for timber units in the Tanana Valley State Forest, right? No one's ever gone out and said yeah, that 30 acres actually is 30 acres of timber. If we are setting

aside however many million of board feet a year, it's all theoretical. Yes we've had some inventories but we've never done a detailed harvest plan for any of these forests. So we really don't know for certain how much volume is really out there to be harvested. That is the worrisome part for guys like Tom and Joe.

Nathan Lojewski: Just to play devil's advocate, let's say you overestimate the volume of the forest and you do a carbon project and you put 90% of your annual allowable cut into carbon and 10% to your operators, when it comes down to it in paper they're going to say you have 100k board feet you can cut every year, you can cut 10k, you look at the timber sale, they cut 10k, their inventory data says you have 90k board feet left-you are good.

Jeff Hermanns: But once you put it into carbon it's too late, there is no adjustment after that. And they want big blocks, not smaller areas.

Nathan Lojewski: So the thing about the improved forest management plan carbon projects, if you are talking about that, you put a block of timber in and you're under contract to maintain a certain volume of carbon. You can harvest the growth on any single one of those acres in the block, it doesn't shut that down, it limits your harvest levels. You can cut wherever you want in that block as long as you are not cutting more than you obligated to store, at least for the IFM project types. There's all these new protocols they come up with monthly. New options exist. It's still kind of the wild west. You can get carbon credit for burying wood. You can get carbon credit for biochar... take your pick.

Joe Young: So what happens when an operator goes into the forest, cuts trees down, and builds a log house out of it and the log house lasts 40 years- is that sequestering carbon?

Nathan Lojewski: It is. If you look at most of the protocol there is a percentage of the harvest that goes into these stored wood products that are durable on the ground, and they attempt to account for it.

Keith Coulter: I think we need a stop gap that forces transparency. To me, the whole carbon thing on the state side seems like we are finding out after the fact or can't quite find out or don't really know. It is a transparency issue. What exactly are you talking about? And how are you going to do it? And what can we expect? It seems somehow we need to lean on them to be able to get that. Is that through a Science and Tech committee? I don't know. They seem to be working independently. That is the impression I get. This force is moving. We are all waiving our arms but they keep going. We don't quite know what they are going to do. I don't know what a Science and Tech committee is going to do. It seems like it's a legal issue. And I don't know how you're going to jazz that out of folks without paying for it. A lot of it is proprietary, you are going to have to talk to carbon people to get the information, I don't know if they are going to offer it up. The whole thing seems spooky the way the state's going about it. It seems like we need to have those folks telling us exactly what's happening and that's not the way it's going.

John Rusyniak: It also seems like a moving target. It's not stable.

Jeff Hermanns: Isn't this something you could take back to the Commissioner and the Governor to help inform the policy Jeremy? This percent of the annual allowable cut needs to be set aside for industry, etc. that would alleviate concerns.

Jeremy Douse: It's more than just an annual allowable cut issue because we have access to what we currently have access to- in the TVSF. So that's where we can put industry. We can start having them build out those roads to get to those stands. Additionality is going to place the same carbon projects in that same area. It's not going to be out in the hinterlands we don't currently have access to. There's not going to be any market for that. We need to understand how much industry could possibly grow in the next 50 years then understand where the roads are going. After we figure out how much industry could possibly grow, figure out how it's going to impact our annual allowable cut. It's a challenging question.

Keith Coulter: One point I want to make in terms of harvesting, you must consider economies of scale. If you have to build 10 miles to get same volume you could have gotten off 1 mile, those are issues I see around carbon. Will they only let you take a certain volume off each acre? Or there's limitations on clear cut size? Talk about feasibility. How marginally feasible are these sales going to be after those regulations get set?

John Rusyniak: Jeremy did you say carbon projects need road access? It can't be remote?

Jeremy Douse: This is my understanding, for additionality to exist which makes it feasible for a carbon project, it needs to be possible to harvest that timber. So if it's in a unit we have no access to, nobody is going to buy those credits.

Nathan Lojewski: It depends upon the protocol you use. Under the California cap and trade, the test is can you do a timber appraisal and show that it will appraise positive? If you're doing 1000-acre sale, can you build a road, cut the timber, and make \$1? If you make a buck, you pass the test, it passes the financial feasibility step for additionality. There are a couple other tests- it has to be legally feasible and be politically feasible.

Jeremy Douse: Maybe before we put a Science and Tech Committee together we try to find someone that can give us a good presentation on how these carbon projects work. Maybe do the SAF training in the spring.

Shannon Miller: There is concern that things are moving quickly and the Board being informed with little information and a quick turnaround for response time. We are set to meet a couple times a year. I'm wondering if the better approach is for me to coordinate with Trevor Fulton and make sure all the information he is working through is something the Board also sees. We can do that through email; we don't have to have meetings for it.



Nathan Lojewski: I still think it would be good for the Board to get better educated on how these carbon projects work and it varies on the protocol. I spent the last 10 years working on these things so I have a good handle on a couple different types of projects but there is a whole slew of them out there I don't know anything about. If the state is considering all these projects, the rules that they pick is going to determine how they work. I think what people need is a little more in the weeds and technical than an agenda item at the next Board meeting.

Jeff Hermanns: Well the person who got the contract would really be the person to give a presentation.

Clarence Clark: My concern is that every time I hear Trevor speak, he doesn't say anything. It's smoke and mirrors. I'm concerned that we're seeing projects moving forward hearing trust me, where this Board I think is responsible for saying wait a minute, we want to make sure we are ok with how you are treating the State Forest system and forests across the state. Nothing against Trevor but he is not really sharing or giving us anything that we can grab and hold.

Keith Coulter: The fact that he didn't share the ACR adjustment, and I sent him an email, I expected that to be a bulleted point.

Nathan Lojewski: I think part of the problem is that you don't know what the technical rules of the project is until a protocol's been picked. Are you going to issue a Best Interest Finding before a protocol has been picked or rule set is arrived on? Is that going to happen afterwards? If a BIF is entered into that says we're going to do a carbon project and that project isn't defined, then you are done with the public process. The developer and the state can come up with whatever project they want and there is not an opportunity to really put comment on it. If you know those rule sets going into it, you can have meaningful input.

John Rusyniak: A lot of people seem to have a lot of questions and not a lot of people seem to have information. Is it possible for us to work on a live document that anyone on the board could add resources or questions and we can all read it and get on the same page?

Chris Maisch: The NASF did a briefing paper on just this because the very same questions exist nationally on a state level. I can share that information with you Jeremy to share with the Board. We did some stuff for the legislature when the legislature that sounds like you guys haven't seen. It will help round out your knowledge level on this topic.

Jeremy Douse: Let's come up with a document that all of us can add questions and get answers. We'll have to figure out who is going to provide those answers. I would also recommend that we have a separate meeting- remote, where we have someone present more than an hour just on carbon projects as an educational opportunity.

Clarence Clark: Working more together with Trevor, so we know what is going on step by step, is good. I don't know if everyone needs to be involved, maybe Nathan and Keith as board members with carbon experience, we use those two as touch stones.

Brian Kovol: Should I rescind my motion?

Jeremy Douse: It sounds like we all just need more information before we take any real action. We just need to learn about this process.

Brian Kovol: **(Motion – Tabled)** I table my motion to establish a Science and Technical Committee for carbon projects.

### **Wrap-Up**

#### **Winter Meeting Date and Agenda Items**

Jeremy Douse opened discussion on the next meeting date and proposed February 26. The Board confirmed.

#### **Carbon Meeting Date**

Jeremy Douse proposed December 3 for a roughly 3-hour online training on carbon.

#### **Board letter to Senator Murkowski's Office**

Nathan Lojewski recommended this be addressed sooner rather than later for the opportunity for FY25. Would the Board consider writing a letter recommending maintained funding for the Forest Stewardship Program at the 1990 level. It is at 50% of what it was at in 1990. Just to keep the base funding level. The NASF has done something similar.

Jeremy Douse proposed that DOF will look at NASF letter, draft the Board of Forestry letter, and share with the Board for comments. The Board agreed.

#### **Tanana Valley State Forest Expansion**

Joe Young requested the Board of Forestry support the expansion of the TVSF, specifically in regard to an omission in the 2024 draft plan to expand that was included in 2001 plan. Shannon Miller will send out both plans and can provide a comment on behalf of the Board to address the omission of expansion recommendation.

### **Board Comments**

Keith Coulter: You can't conduct forest management without cutting trees.

Clarence Clark: I thank the Board for putting up with me today as I sit in for Eric Nichols. I appreciate participating and the make-up of the Board and suggest you stay involved and get more involved as needed with forest management in the State.

Denise Herzog: Thank you Shannon for organizing and thank you Jeremy for stepping in. Thank you for the public comments as well. It is really helpful to hear from you.

Bill Morris: Thank you Shannon for organizing and putting together a good meeting. I've been on the Board now since 2015, just after the last Science & Tech Committee. Maybe this is a good thing- it seems like there hasn't been a lot going on with the Board. It is good to see there are things we are going to be getting involved in.

Nathan Lojewski: Thanks Norm and Jeremy for filling in while the State Forester role is vacant.

Brian Kovel: It is tremendously valuable for someone like me who didn't grow up logging trees, but I do come with an environmental background and am tremendously interested in learning a lot of the things that I don't know and I've got a lot of reading to do from today. It sounds like I have to read a draft EIS and other things coming out. I appreciate your patience and also have problems with acronyms sometimes so I appreciate you bringing that up.

John Rusyniak: I find it very valuable to attend in person.

Randy Bates: I am sorry I am not in person, thank you for accommodating me being remote. Nothing like grappling with simple questions like is FRPA effective? And how much carbon is in our forests? I look forward to being a part of the investigations and being involved.

**Meeting Adjourned**