

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

**DRAFT Minutes: Board of Forestry Video Conference Meeting
Wednesday, February 26, 2025: 8:00 am – 4:00 pm**

Call to Order and Roll Call

Jeremy Douse, State Forester called the meeting to order at 8:00 am. The meeting was chaired at the Division of Forestry & Fire Protection office of the Department of Natural Resource's Northern Region Building in Fairbanks. The public notice included connection information for anyone to call in or connect via Zoom.

Present (in-person):

Jeremy Douse, State Forester
Bill Morris, Non-Governmental Fish/Wildlife Biologist
Denise Herzog, Mining Organization

Present telephonically:

Eric Nichols, Forest Industry Trade Assoc.
Keith Coulter, Non-Governmental Professional Forester
Nathan Lojewski, Alaska Native Corporation
Randy Bates, Commercial Fishermen's Organization
Brian Kovol, Environmental Organization (alternate Krista Scott called in late)

Others present on Zoom meeting:

Tom Paragi, Retired ADF&G, biology/wildlife
Jeff Hermanns, Mental Health Trust
Melis Coady, Susitna River Coalition
Brock Tabor, DEC
Kate Kanouse, ADF&G Habitat
Kayla Wagenfe, DNR Carbon
Greg Staunton, DOF
Steve Connelly, DOF
Pat Palkovic, DOF
John Rusyniak, Recreation Organization
Greg Albrecht, ADF&G
Tyler (no last name), public caller (joined later online)
Clarence Clark, AFA (joined later online)
Kevin Meany, DOF (joined later online)

Background

Review of public meeting notice and agenda

Chair Douse noted one addition to the agenda under “Agency Budgets and Legislation” for discussion of Senate Bill 75, the timber leasing bill.

Discussion followed regarding quorum and the availability of minutes from the previous meeting:

- Jeremy Douse: stated that the minutes from the last meeting were not yet available and would be prepared for the next meeting.
- Brian Kovol: joined the meeting late and apologized.
- Denise Herzog: questioned whether the board now had a quorum.
- Jeremy Douse: responded that John Rusyniak was not present and all members may be needed for a quorum.
- Bill Morris: suggested that only one person was missing.
- Jeremy Douse: confirmed that with one member absent, quorum was met, but reiterated the minutes would be postponed to the next meeting.

Announcements

Chair Douse announced several staffing updates within the Division. The Board Liaison position, previously held by Shannon (now serving as Administrative Services Director for the department), has been advertised and interviews are underway. The Deputy Director, Forestry position has also been advertised, with interviews scheduled for the following week. Both recruitments received strong applicant pools, with 28 applicants for the liaison position. Additional vacancies exist in Southeast and Interior regions, which may be discussed later in the meeting.

Funding, Legislation, and Regulations

Kate Kanouse (ADF&G/ Fish and Game Coordinator)

- On behalf of Deputy Commissioner Ben Mulligan, who is just a little late signing on, we are anticipating level funding as usual. We are not expecting any budget cuts. We continue to participate in FRPA and reviews.
- Right now, we have two Alaska Sustainable Salmon Fund projects that are out for stream cataloguing in Southeast and we’re getting another one in March. We’ve been working up in the Icy Bay area. This last year we had a one-year grant working up there, and there’s been some mineral exploration and other interests. Next year we’ll be heading down to Petersburg then back up to the Icy Bay Area. We still have some uncovered ground, of course, there’s a lot to do up there.
- I can give an overview of the report for you later if Greg Albrecht is not on, I don’t see him yet.

Brock Tabor (DEC)

- For the board’s awareness, we are continuing to work with the Governor’s office to address potential actions and the State response to the water of the U.S. issue that came from the 2023 Sackett decision in the Supreme Court. There is much going on in regard to State policy and how we plan to interpret that. We’ve seen that play out

a little bit in this year's proposed budget from the Governor asking for funding for assumption of the Clean Water Act 404 program. That is a conversation that is happening within the legislature.

- As far as our budget goes for Forestry work, it is status quo. We're still continuing to use funding from U.S. EPA 319 grants to support that effort.
- There is no substantive legislative actions I have at this time that would be related to Forestry.

Jeremy Douse (DOF/State Forester)

- FY25 Budgets:
 - o FY25 enacted budget was flat funded for FRPA activities, although the year before that we did get funding for an additional FRPA Forester. That position has been hired. We will have a Northern Region FRPA Forester in addition to the Coastal Region FRPA Forester.
 - o Operating in this current fiscal year we received a \$900k increment for moving foresters off of timber sale receipts into Unrestricted General Funds (UGF). That freed up timber sale receipts to do other land management related activities, and that is what we are moving towards.
 - o DOF received an \$84k increment to enter into the DOT annual maintenance program for heavy equipment. That's not covering all of the maintenance on the heavy equipment. That is just entering the program so they can do the scheduled maintenance on our equipment.
 - o In Capital, DOF received \$3.5 million silviculture Capital Improvement Project (CIP) for pre-commercial thinning (PCT) in Southeast and reforestation in the rest of the state. \$2 million of that came out of timber sale receipts. Greg Staunton (DOF) has been busy getting contractors set up for doing PCT down in his area. We are working with nurseries out of state to start getting seedlings grown for reforestation, particularly in the Fairbanks Area. We will be looking to expand that into other areas to where we are not meeting our reforestation requirements.
- FY26 Budgets:
 - o The proposed budget has flat funding for FRPA, including those two positions.
 - o Includes an Operating Increment of \$858k to move four forester positions off of federal funding to UGF.
 - o \$219.9k to move GIS and equipment operators off of fuels CIP and onto UGF.
 - o DOF is additionally looking to add another forester in Haines in anticipation for increased activity in that area.
 - o DOF is looking to add an engineer/architect position that can serve as a project manager in Anchorage, to help with road access improvements, infrastructure, etc.
 - o DOF is also proposing to add an accountant in Anchorage.
 - o We have no CIPs or Capital Requests from the Forestry Program. There is one request from the Fire Program for replacing an aircraft that is aging out.

Randy Bates: I do have a question on DEC funding as it relates to field presence. Looking at what went out this morning in the FRPA effectiveness report to the Governor, there is a section that says “Funding DEC field presence.” When I was at DEC, and Senator Kiehl provided \$80k budget line item to come to DEC, \$80k wasn’t enough to fund a position and at that time we couldn’t take away from the other work we were doing and dedicate time. The report says, “Funding allocations are needed for DEC.” If this report is going to the Governor, what the Board of Forestry is saying in here is that we need more money to fund DEC to participate in field presence. What do we need? And what is the solution if that doesn’t happen? How are we then saying it is effective if we are not in the field doing water quality management?

Brock Tabor: I can’t speak to the budget because I wasn’t part of crafting that, nor was I privy to providing this information regarding how much budget we do or don’t need. In my experience in this position, we’ve been able to participate as available. I’ve been able to charge our EPA grant to go out in the field when there is an opportunity. For example, I’ve been to Yakutat a couple of times with the foresters to visit projects and provide my professional comments. We would continue to participate as available. I also regularly engage with my counterparts at Fish & Game and DNR and have also been able to engage in training with them in Juneau. We don’t have dedicated funding, and I have not heard of any efforts within the department or outside of the department to attract additional funding for a dedicated position like there used to be.

Randy Bates: Is the \$80k still coming in to support DEC activity?

Brock Tabor: I don’t know. If there is any funding for that potentially, that is going over to compliance so we can do our inspection of Log Transfer Facilities, which we did two of this year.

Randy Bates: The report says, “The BOF recommends providing funding to support a water quality position to DOW - Water.” So, that would be a full funded position that the board is recommending in this report.

Brock Tabor: I’ve certainly heard that recommendation in the past, but there has never been any action on it to the best of my knowledge.

Randy Bates: If timber harvesting increases, as the Governor or Federal administration works towards, certainly getting funding back up and running in a position at DEC would be helpful.

Jeremy Douse: I do apologize for just sending those reports out this morning. Thanks for taking the time to read them.

Jeremy Douse (DOF/State Forester) – Continued

- Legislative update:
 - o Senate Bill 75: A Governor's bill on timber leasing. DOF would lease out portions of State Forests or forested State lands to private entities for management purposes. We've had one hearing in Senate Resources and one hearing in House Resources. AFA did submit a letter of support for the bill.

Denise Herzog: What do you mean by "management purposes?"

Jeremy Douse: It would be very similar to a Canadian model with farm leasing. They lease out land so private industry can plan their own schedule, layout the roads, take care of the reforestation, do the bridging. All the parts that the State takes care of now. That would help get to the point of having a guaranteed supply of timber in front of them, because they would be managing that resource.

Eric Nichols: What is the time frame on these? There is a capital investment if you are going into reforestation or any kind of long-term silvicultural. How does the lessee get his investment back with short-term leasing?

Jeremy Douse: I'm sorry, these leases are up to 55 years, with a potential second addition. Very similar to the carbon bill, it could be a total of 110 years for leasing out a portion of State land or State Forest.

Denise Herzog: This is separate from the carbon?

Jeremy Douse: Yes, this is separate from the carbon bill.

Eric Nichols: I can see from an industry standpoint that it could potentially be a long-term supply. The other side of it is that, if we're looking at the Mat-Su and other areas that have very expensive transportation needs, I'm not sure who is going to put in major money for bridges. I'm not sure in 55 years you'd fully rotate your next crop to get some of your money back.

Jeremy Douse: That's a good point. It could potentially go for 110 years, and we are getting close to the rotation for spruce. I think the intent of the bill is to make things as flexible as possible. A lot of it could be negotiated in the lease or the contract. You're right though, a lot of the responsibility shifts to the lessee. With the resource in the Northern Region or Southcentral, does that cover it? But there seems to be some interest in this concept.

Eric Nichols: You are talking about the Canadian model. That is a little bit different model. If you look at New Zealand, you have a 99-year lease that auto renews annually. If you want to break the lease you have 99 years to finish up a couple rotations and get silviculture investments back. I'm just not sure time frame fits everywhere across the state when you start looking at this.

Jeremy Douse: There was some question on where the 55 years came from. It does appear to be a lease length we do within the Department at DMLW and in the Carbon initiative. It is not really clear where that came from other than it is a reasonable amount of time of dealing with one contractor.

Eric Nichols: It is the trees we are worried about, not the workers.

Jeremy Douse: There is some discussion on where 55 years comes from and if it's appropriate.

Eric Nichols: Anytime you look at something like this you are looking at generational, you're looking at pretty well-established companies to try to take on something for this long of a time period.

Jeremy Douse: In areas where the rotation is shorter, I can see that these investments make more sense. Maybe it makes sense here too, with our long rotations I know it is a little bit more challenging to pencil out.

Eric Nichols: Are these leases sellable?

Jeremy Douse: That's a good question. I am not sure how that works out.

Eric Nichols: In both the Canadian and New Zealand model, those leases can be sold. You can recoup some value if you have someone interested in taking over the tree farm licenses there. I take it they are geographic areas, so you are leasing defined areas?

Jeremy Douse: Yes, the way that the bill is written- and I would encourage you to take a look at the bill, the Commissioner can identify the area, or an area can be nominated and then worked through the process. There is no size limit the way the bill is written now.

Eric Nichols: I had some earlier, verbal discussion on it where it was still in the stage, we were still deciding how it was all going to fit. I'm just not sure- unless you've got a very small operation, I'm not sure how much interest we'd have in the state. It sounds good- especially if you can put together some larger tracks and have some even-flow timber production from it.

Jeremy Douse: Yeah, transportation is challenging, in Southeast for sure, and the seasonality of it in the Interior. I wonder the same things. We have to harvest in the winter in the Northern Region and that season is getting shorter and more challenging to put winter roads in. I wonder how much interest it will drum up too but it does appear-

Eric Nichols: The other thing is you have such a long growth cycle. If you're going to run a financial model, I doubt that there are many people willing to invest money to have a 100-year rotation here.

Jeremy Douse: I don't know how it pencils out either. I would encourage you to take a look at the bill. It still sits in Senate and House Resources. I apologize I don't have all the answers on it, I have a lot of questions on it as well on how things might work out.

Eric Nichols: I like the idea of it. I'm just not sure we have a short enough rotation, unless we come to Southeast, but even then, I still think you need about a 60-year rotation age to make most of it work here. Rotation is a huge issue when you come into your cost of money over time.

Nathan Lojewski: This is only for timber leases, not for other management, is that correct?

Jeremy Douse: It's just for timber leases. It does not give the lessee the right for any subsurface or any other uses, it would only be for timber. It also does not close off any public access- these are still public lands.

Nathan Lojewski: This seems like a step if you could lease mature timber that is harvestable now, then put in a facility that had a 20- or 30-year amortization you could guarantee a supply of timber. Is that the thought process? Understanding you are going to have to replant and do all the silviculture, which you may not benefit from, but at least you would know you'd have an even supply of timber?

Jeremy Douse: Yes. And that's the question- If you are doing costs for roading and reforestation and intermediate treatment, does it pencil out in the long run? If you do the 110-year time length and take on those costs, does it pencil out in the long run?

Tom Paragi: Just to point out, the timber lease bill does include carbon projects as well. Although I don't know if the carbon leasing regulations have been fleshed out fully yet. Trevor mentioned that is different from carbon offsets. Regulations for carbon leasing, as opposed to carbon offset, are different.

Jeremy Douse: The discussions that I've had said it would have to be stacked. Say someone wanted to lease timber on forest-classified lands or not a legislatively designated State Forest, they could lease the land so it would be a stacked lease. Then they could do a carbon project in addition to the timber project. Because we can't lease legislatively designated state forests, they could lease the timber, but they'd have to work with the state on a separate authorization to do a carbon project.

Tom Paragi: The language I'm seeing on HB 72, it does allow for carbon offset projects or timber management lease. On page 10.

Jeremy Douse: This is specific for Haines State Forest. Because Haines is authorized under a different statute.

Eric Nichols: Back to what Nathan had to say, if you lease a mature forest, what prevents you from going in and clear cutting in your first 10 years and walking away from it? In Canada, you are responsible for reforestation until what they call “free-to-grow.” It’s not a set time period. The other thing, how do you get around sustained yield in Alaska Statute here?

Jeremy Douse: It would still be subject to sustained yield, because it is a constitutional requirement. Somewhere in regulation, we would have to develop how we would calculate that in addition to what we are already doing to meet the sustained yield requirement.

Eric Nichols: Is there a separate sustained yield for the lease area or does it all have to be brought into Northern Region/Southern Region?

Jeremy Douse: This would be identified in regulation, but I think it could be either. If someone is leasing on the Tanana Valley State Forest, it still has to fall within that State Forest’s annual allowable. Or, if they are working outside where we haven’t done an inventory and we haven’t determined an annual allowable, that would be part of the lease. We’d have to determine annual allowable and assign that to the lease. The intent is to be able to address those in regulations or in the lease themselves.

Eric Nichols: I just see some complications. Where it’s worked well is where you have huge amounts of government lands like British Columbia, where you have a 28-year rotation or so there. I’m just not sure of the economic viability.

Jeremy Douse: I’m with you. There is definitely some interest from folks. I don’t know if it pencils out either, I’m not sure. This is a conversation happening at the legislature.

Keith Coulter: Who sponsored the bill?

Jeremy Douse: This is a Governor-sponsored bill.

Denise Herzog: Once the lease is applied for, does it go through public comment.

Jeremy Douse: There is a public process, yes.

Keith Coulter: I’m not familiar with the bill. If there is timber and carbon that can take place on the same acreage, maybe there is or there isn’t- you’ll have to inform me. If there is, how do you keep people from buying the rights to block timber harvests?

Jeremy Douse: That’s a good question Keith, you should take a look at the bill, but it specifically says that it has to be for the management of the forest resource. So it requires that there is actual management taking place.

Keith Coulter: Actual management versus carbon. Good point.

Tom Paragi: Technically, that could be simply hazardous fuels management or reforestation, but it doesn't have to be timber harvest. Is that correct?

Jeremy Douse: I do believe that's correct.

Tom Paragi: I know public comment is later, but I have an observation to relay if you want to hear it now or later.

Jeremy Douse: If you want to save something for public comments, let's keep it for 1:00pm. Actually, doing management was addressed, but it is not clear to me. I think Tom, you might be right, it could be just fuels projects, PCT, thinning.

Nathan Lojewski: This isn't limited to State Forests, this is all State lands, correct?

Jeremy Douse: That's correct.

Nathan Lojewski: My other question- I know there are land management plans for certain State lands, but if you have a sustainability requirement, how would that be addressed for lands that don't have a forest management plan? Would that be something the lessee would have to develop, or would it be the State?

Jeremy Douse: I think that is all negotiable. If we don't have an inventory, that's going to have to be done just to understand sustainability. There is going to have to be some kind of operational inventory done outside of areas where you don't already have an inventory. Melis I saw your question, I will try to email you an agenda. I encourage everyone to take a look at the HB 72 / SB 75 bill.

Jeremy Douse (DOF/State Forester) – Continued

- Legislative update - Continued:
 - o Upcoming Bill: Additions to the State Forest System
 - Expansion to TVSF and creation of Susitna Valley State Forest
 - We have a website with more information:
<https://forestry.alaska.gov/proposals/susitnavalleyforestexpansion.htm>

Eric Nichols: What is the benefit of it to the forest industry? Basically, you are locking us into a timber process if you take it out of any possibility of land conversion. The way I see it now, you have ability to do timber sales and if you do this land leasing, you can lease, or you can do an outright purchase of land. Once you put it into a State Forest, there is no ability to purchase that land for timber or anything else in the future.

Jeremy Douse: The benefit of it is that it will perpetually be in production for future timber harvests. Even in areas outside of Southeast, once we harvested it and built some infrastructure to get into it, we can manage it for a future crop of timber. If we put

investments in roading, bridges, and it's not State Forest, the land use could be converted to another surface classification, such as settlement- and this has happened, and we would have lost that investment in putting that infrastructure in specifically for timber management.

Eric Nichols: I'm assuming your sustained yield would increase if you're going to add more land? Is there any kind of plan to increase the infrastructure in order to put more long-term access into these properties? It looks like the Susitna here there has got to be a major investment in the roading in order to increase any kind of timber production.

Jeremy Douse: That was the intent of the \$900k from last year, of getting foresters off of timber sale receipts, so we can use that money for infrastructure. That is the direction that we are moving. You're right. For areas that aren't included in our annual allowable- those areas need to be inventoried and in theory it would increase our annual allowable. Across the board we are not meeting our annual allowable. So your issue of infrastructure is the one we need to address. We need more roading into more stands so we can do more active management. Most of that currently comes out of timber sales and it's the logger that builds the road. With a project engineer that can do horizontal construction, or oversee contractors, and the additional money that comes with taking foresters off of timber sale receipts, we are being asked to do more roading to get into areas.

Eric Nichols: The reason I bring this up is I was sitting on the board when they shut down putting more in the Mat-Su. It got shut down primarily because there was pushback from local operators in the Mat-Su that said you are just going to tie up more land but we're not going to get more timber out of it. Why should we tie up this land, put this restriction on the land, if we don't get any additional timber?

Jeremy Douse: Yes. This is a long game for sure. The areas that I've seen in the Susitna are really decadent birch and at this point dead spruce. There's got to be an investment in rotating those stands. They are old and there are a lot of issues. Planting more spruce in some of those areas, doing more in that forest-classified land is the goal. You're not wrong. It is going to be challenging to get onto the west side of the Susitna. There are some lands on that proposal that are on the east side. There are lands we currently have access to. There are interested people that are coming and asking us about opportunities in the Susitna for biomass sort of projects. I mean- we've got to do something. Those stands need to be rotated.

Eric Nichols: I agree, 100%. When I saw the Mat-Su the couple times I was up there- it should have been done in the 80's when we had a lot of money, and we didn't do it. So now you are being faced with how do you afford to do it? And that is going to be a problem there for a very long time, I think.

Jeremy Douse: It's going to be a challenge, yes, I agree. In the Tanana we are already managing some of these areas that are forest classified. In the Anderson area, some areas

that are forest classified that we are putting sales in and are about to invest in infrastructure. In that example, if we were to invest in the infrastructure that would be something we have moving forward. On the website, there is a State Forest proposal page with FAQs, web application, pdf maps. You can see there are lands on the east side of the Susitna River, there is still a lot more we can do for management out there, but there is a lot of land on the west side we would need to get access to to be able to do any sort of management out there.

Jeff Hermanns: How many acres does that give the Division of Forestry west of the Susitna if you got this addition?

Jeremy Douse: I believe the whole request for Susitna is about 830,000 acres. Most of that is on the west side of the Susitna.

Jeff Hermanns: Does the addition into the Tanana Valley State Forest help you be able to put out longer-term contracts? Like 10-year contracts?

Jeremy Douse: That's the idea. This whole addition to the State Forest originated with Joe Young in the Tanana. He has got an interest in continuing to do more 10-year sales. He started with identifying areas that he thought should be added to the State Forest. Most of the areas he requested were already identified as being recommended additions to the State Forest in the area plan, so we continued down the road of looking at areas already identified in area plans. There is a request for 10-year sales. For those entities that want longer-term sales this would be a great opportunity to include these areas and then we can start developing access into them.

Jeff Hermanns: Copy that, that's a great thing to hear.

Annual Report

2024 FRPA Best Management Practices (BMP) Compliance Monitoring Report

Presented by Pat Palkovic, DOF Forest Practices Forester, Juneau

- State is broken up into 3 regions: Region I is coastal hemlock spruce forest, Region II is interior spruce hardwood forest south of the Alaska Range, and Region III which is everything else north and west of the Alaska Range.
- Region I:
 - o 19 operations where FRPA inspections occurred.
 - o 2024 had a significant increase in the number of score sheets completed. Most areas have gotten additional staff which has helped increase inspections and score sheet completions.
 - o Certain BMPs from regulations that were selected that are consistently rated during inspections.
 - o We generally have good compliance with implementing BMPs on operations. 89% of them were rated 4 or 5 (the best) with 0 being problem.

- BMPs where we scored below 4 deal with road maintenance:
 - Road Maintenance - Active 11 AAC 95.315(b)(1) Ditches Functional: 3.9
 - Road Maintenance - Active 11 AAC 95.315(b)(4) Roads crowned or outsloped: 3.8
 - Road Maintenance - Inactive 11 AAC 95.315(c)(2) Surface not conducive to erosion: 3.8
- In the past 5 years DOF has gotten a lot better with BMP compliance in Riparian Areas and Timber Harvesting. This has significantly improved. Road Maintenance is an ongoing thing.
- Region II:
 - 3 operations where FRPA inspections occurred. Most activity was on Mat-Su Borough lands.
 - One more score sheet was done in 2024 with significantly more BMPs rated.
 - One operation was having issues, they are still working on it and getting things corrected, but still had 83% compliance of BMPs scoring 4 or 5
 - BMPs where we scored below 4 deal with road maintenance and drainage:
 - Drainage 11 AAC 95.295(d) Roads out sloped or ditched on uphill side: 3.7
 - Drainage 11 AAC 95.295(f) Relief ditches away from surface waters: 3.0
 - Road Maintenance - Active 11 AAC 95.315(b)(1) Ditches Functional: 3.0
 - Road Maintenance - Active 11 AAC 95.315(b)(5&6) Grading bridges: 3.0
 - Road Maintenance - Closed 11 AAC 95.320(b)(4)&(c) Structure & fills removed from surface waters: 3.0
 - Over the past 5 years there is a pretty good average combined rating, even with the operator that was having issues this year.
- Region III:
 - 32 operations where FRPA inspections occurred. Mainly on TVSF and in Delta Area.
 - Almost doubled the scoresheets completed in the prior year, and increased the number of BMPs rated.
 - They had a little bit of a drop from compliance last year (94% to 89%) but still in good compliance in implementing the BMPs when they are needed.
 - BMPs where we scored below 4 deal with road maintenance & construction:
 - Road Construction 11 AAC 95.290(i) Disposal of material on suitable sites: 3.3
 - Road Maintenance - Active 11 AAC 95.315(b)(1) Ditches Functional: 3.3
 - Road Maintenance - Active 11 AAC 95.315(b)(1) Ditches Functional: 3.7

- Past 5 years show significant improvement in Timber Harvesting, Riparian Areas, and Drainage compliance. Road Maintenance is an ongoing issue.

Pat Palkovic (DOF): Shows a split screen of the two different FRPA compliance score sheets for Region I and Region II/III. The score sheets line out the different BMPs and the rating status.

Denis Herzog: So just to clarify, the check lists are individually tailored to the different regions?

Pat Palkovic: Correct. There is some overlap. Usually in Southeast we don't have winter roads, and in Region II & III you have winter roads, so that is included. There are a couple things we have in Region I they would not have in the other regions, like Cable Yarding Adjacent to Riparian Areas. They are pretty similar.

Bill Morris: I have a question, in the presentation you showed 5-year compliance tables by region. I am used to seeing a version of those in the annual reports. I like seeing those highlighted blocks, do we have culvert issues or maintenance issues? Those are useful for me when I do my reviews.

Jeremy Douse: I did send Pat's report to you all earlier today. It is separate from the annual report to the Governor, it is from Pat's report.

Annual Agency FRPA Reports to the Board of Forestry

DEC Division of Water - Brock Tabor

- DEC's role is to participate to the best of our ability based on the budget and various issues. I am always very appreciative to Pat and her team at DNR as well as at Fish & Game. As mentioned previously, our staffing for this is minimal and it involves myself. We have some transition happening at DEC where I am no longer going to be the Water Quality Standards Coordinator anymore but serving as the Special Projects Coordinator for Division of Water. That being said I will retain Forest Practices for the time being because I have experience working with this.
- Funding is minimal and it does come from EPA. Assuming that funding doesn't change we shouldn't see any changes in the future.
- Throughout the year I am able to review documentation regarding forest use plans, best findings, forest practice inspection reports and Detailed Plan of Operations (DPOs). That will continue into the future.
- Two items you will see in our report that may have interest are two inspections we conducted in 2024 related to the Alaska Pollutant Discharge elimination system permitted log transfer facilities. One was at Viking Lumber and the other was at the Klawock Island Dock. As a result of these two inspections, one permit was terminated at the request of the permittee. The other inspection is still being processed.

- We plan to continue our efforts and involvement with the board into the future, accompanying staff on inspections and take part in trainings as they become available.

Denise Herzog: Just to clarify, the report to the Governor said that DEC hadn't done any FRPA inspections. These two inspections that you did were more funded by the APD gas program then?

Brock Tabor: Exactly, those are completely separate because it's permitted under a separate authority. Those are related to the Clean Water Act rather than directly related to FRPA.

Jeremy Douse: Before we continue, there is one individual that has called in and it just says "caller"- if you've called in in the last 15 minutes can you just let us know what your name is...Alright, I guess they are not going to identify themselves. We will continue on.

ADF&G - Greg Albrecht

- Timber activity in our office is lower than it has been in previous years.
- In southeast we did 3 FRPA inspections.
- Southeast Office saw 9 DPOs and 5 renewals.
- Anchorage Office saw 4 DPOs
- Palmer had 2 DPOs
- Fairbanks 1 DPO
- Saw a lot of applications for road close-out related items on all-land types, particularly private and federal. Issued some permits and concurrences for that.
- Northern Region had quite a bit of activity with 9 BIF reviews and 7 FLUP reviews.
- In general, we've been seeing a lot of activity for road close outs, restorations, repairing some old aging culverts and road infrastructure on roads they want to keep in their communities.
- One of our priorities has been targeting field stream survey work to identify fish streams while also hunting for old culverts on road systems that are in some form of storage or closed out.
- Overall FRPA is still a workload priority. We have the staff and budget to go as needed and it still remains effective for protecting fish and wildlife in our view.

DNR Division of Forestry & Fire Protection - Jeremy Douse (DOF)

- In CY2024 we received 17 DPOs. 3 were for reforestation and Timber Stand Improvement (TSI), 14 were for renewals of operation on private and other public lands (non DNR lands).
- There is an error in the report. The compliance monitoring improved slightly in Region I, which averaged 4.3 as opposed to 4.2 from the previous year. Region II averaged 4.6 which was a slight reduction, and Region III averaged 4.5.
- The Division sold 57 individual timber sales totaling 33.6 million board feet in FY24, which was slightly more than twice the number of sales and volume sold in FY23.

- In the past 10 years the division has sold 173 million board feet. In most locations of the state, it is the division that is the sole provider of timber to the industry.
- As previously mentioned, we received a \$3.5 million CIP to increase Pre-Commercial Thinning (PCT) on State lands in Southeast. We've identified 2,000 acres in southern Southeast and 700 acres in Haines that need treatment. We are working to identify and increase planting in areas that are freshly harvested and where we are not meeting our reforestation requirement in Region II and III.
- In August 2023 a State Law was enacted to create the Alaska Lumber Grading Program. We worked with UAF Cooperative Extension to hire forest product specialists to implement that program. In the last year we certified 109 individuals and did 8 trainings in 7 separate communities in Alaska. They are additionally organizing a wood drying workshop in the coming year. 3 workshops, one in each of the 3 FRPA regions. All info is on Cooperative Extension website.
- We continue to work with federal agencies and continue to work on the Forest Inventory Analysis project in the interior. The cost-share agreement to work on young-growth working forest analysis- continue working with the Tongass transition collaborative. Continue working with the all-landowners group which is working towards an occupational endorsement with the University in a Forestry Program. We are still working on GNA with the Forest Service. The KOS GNA sale is essentially done, we are still working on Vallenar. We continue working with the Forest Service to identify new opportunities- we just had a meeting yesterday to start that discussion.
- At the last board meeting we discussed a Science and Tech Committee to assess whether FRPA needs updating to reflect the current forest road use and need. This is still on the to-do list. Once we get the new board liaison on, they will start working with the Effectiveness Group and establishing a new Science and Tech Committee.

Review Letter to the Governor

Chair Douse noted that one edit was needed to include Randy Bates under the commercial fishing seat. No additional comments or changes were raised. The Board agreed to include the edited letter in the final packet submitted to the Governor.

Forest Management

Mental Health Trust - Jeff Hermanns

- Current timber operations:
 - o Viking is currently harvesting timber and building roads on Price of Wales Island. That is part of the Naukati old growth sale and was part of the big land exchange we had with the US Forest Service.
 - o We are in the last couple months of the big timber sale that was 100 million board feet. I expect Viking to potentially finish that within the next few months, then the timber sale will be complete as far as harvestable timber is concerned.
 - o The other large, active timber sale we have is Shelter Cove with Alcan Timber. They are currently out harvesting and constructing road. It is going well. We

do have an issue with US Forest Service on a bridge out there. They came out and inspected on a section of the road that was going to get conveyed from the federal government to Cape Fox. The trust is working with Cape Fox on easements, reciprocal easements for that road. That has caused us quite some issues. We are trying to resolve that; it is kind of a bizarre situation.

- I am getting ready to issue a new contract for a small operation in Gustavus. It is for a couple hundred thousand board feet and for a local sawmill there. They are out harvesting and sawing up timber for the local saw timber market in Gustavus.
- Getting ready to do a contract with a small firm in Fairbanks for a patch of blow down from a couple years ago. It's about 30 acres of salvage blow down they plan to use to put out into the local firewood market in Fairbanks.
- We are continuing with the fuel reduction project with the Tok school.
- I'm planning to get to Haines this year and meet with Greg Palmeri with DOF to see what we might want to do for future timber harvests in the Haines area.
- Some exciting news, we signed an MOU with the City & Borough of Wrangell for cooperation and joint efforts in harvesting timber and developing land in the Wrangell Borough. They have a 900k acre municipal entitlement. They need to raise funds for the borough. We're trying to assist them and work cooperatively to harvest timber. We plan to do some sales in Wrangell on Trust land. We don't have much left to harvest in Wrangell, we only have a few million board feet there, but the city and borough potentially have a lot of acres to harvest there.
- News spreads fast, the City of Ketchikan wants to do the same kind of MOU with the Trust. Ketchikan Borough has 13,000 acres of municipal entitlement and they want to begin a timber harvest program.
- We have a project in Ketchikan called the Whipple Creek Development. Ketchikan is in critical shortage of housing so we are going to develop a 40-acre parcel. We will harvest the parcel first, and do a land-use conversion, and are working cooperatively with all the surrounding landowners which includes the Borough, private landowners, Cape Fox, and others. Potentially, there would be significantly more harvesting going on with the Ketchikan Borough.

Jeremy Douse: Wrangell reached out about a meeting next week, are you coming up for that?

Jeff Hermanns: Yes, we will be in person for that meeting. There is quite a list of people that are going to be in person at that meeting, including Senator Murkowski's aide, the Governor's office, the U.S. Forest Service. We are trying to encourage the Forest Service to get busy harvesting timber there and trying to encourage them to do a GNA project on Wrangell, potentially with the City and Borough of Wrangell, maybe with DNR, or the Trust? We are excited about that meeting.

Denise Herzog: How many board feet are typically on a 40-acre parcel?

Jeff Hermanns: I guess typical is the term. I don't even know how to answer for typical, honestly. In Southeast Alaska we probably run high-teens/low-twenties as an average across the Tongass. On this parcel we plan to develop at Whipple Creek, it probably only averages maybe 12-15 thousand board feet per acre. It has been harvested at least once or twice in the last hundred years, so it is a scattering of second-growth timber and remnants of old growth that were missed years ago. Then there is really heavy blow down and a lot of defects in there. We expect to harvest maybe 300-400 thousand board feet on that 40 acres.

Good Neighbor Authority Sales: Greg Staunton, DNR/DOF

- We have one GNA contract open at this time- the Vallenar timber sale. That timber sale is process of building road. The contractor is Alcan Timber. They are building road into the federal portion of the sale. They are also working on the state portion of the sale, harvesting young-growth timber to the north of it. The operating plan talks about that road building being completed sometime this coming month. Harvesting operations would enter the timber felling phase sometime after that.
- With respect to the previous GNA contract we had out in Kosciusko Island, we still have an agreement in place with the Forest Service. Using funds that are residual to that arrangement, we are looking at doing an after-action review of how the sale came together and was administered. That has been awarded, I believe, to Brian Kleinhez's Terra Verde. That is an ongoing project that he is working through.

Eric Nichols: On the Edna Bay GNA, if Terra Verde is going to do an after-action review, are you going to talk to the Forest Service people that are now retired that started that whole project?

Greg Staunton: I have not been directly involved with the tasking to Brian. I believe that concept is in his tasking. Whether or not they would communicate with Brian at this point, I have no control on.

Eric Nichols: It was one of those projects, the Forest Service had a lot of issues on their side. We had a lot of agreements to get started with, in order to start that project. If they don't go back and talk with some of the people that were there who made those decisions, I'm just not sure how you'd get a good after-action review on it.

Greg Staunton: I would concur with that. The project also lasted for quite a period of time, so the idea that people's perspective changed on it over time, as you're well aware.

Eric Nichols: My perspective hasn't changed.

Jeremy Douse: Eric, I do think that is the intent for Brian to reach out to those folks. I can follow up with him to and see what is happening there.

Eric Nichols: I mean, I don't know where this thing is going. I'm not sure what the Forest Service is looking for. We've got issues on the State side. There are issues on just getting a purchaser layout- which was all brand new for the Forest Service there. I'm just not sure where they are trying to go with it. I can tell you, on a nation-wide basis, there is a lot of talk about trying to do additional GNA- especially throughout the western United States. I just think with this administration you are going to see a hard push to do more of it. Especially since the Forest Service personnel, especially your probation people. I think there is going to be a big push from the federal side to do more GNA in order to get more timber put up on the Forest Service side.

Jeremy Douse: Yes, I think your right. Like I mentioned, we are looking for other opportunities with the Forest Service now, even before this AAR. If we come up with some good findings in the AAR, we could mod a spot to be able to move forward. I think they are already being told to do more GNA and work with State, municipalities, and Tribes to do more of this kind of work.

Eric Nichols: There is talk in Idaho and Montana about "super GNA" where you basically do NEPA through the whole process. Basically, the State manages a portion of federal grounds under the GNA process. There is a lot of things going on right now, with the chief retiring, there will be a new chief appointed in the next week or two. Your whole SASI agreement- I'm actually hoping all that will go away and we'll start looking at the 2016 plan and see what is really going to happen on the Tongass here.

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

- Southeast Area:

- Greg Staunton, Area Forester
- Timber harvest operations on four active timber sales. El Captain, Whale Pass, Bay View, East Charley, and Vallenar GNA.
- Timber sale layout was conducted for 166-acre Parlay Three timber sale on Kosciusko. The FLUP is out and we'll sell as competitive bid.
- DOF conducted timber sale layout on a 195-acre Tuxekan timber sale in January. Got a preliminary BIF out and draft FLUP. The comment period just closed yesterday. Moving along trying to get the timber going.
- DOF issued a preliminary Best Interest Finding for a timber sale with the premise of purchaser layout, low-volume timber in the El Capitan, Whale Pass, and Exchange Cove areas. The concept is to sell the timber and have the purchaser design the sale, meeting DOF's expectations and constraints. We'll take the drafted configuration and finalize it through the Forest Land Use Process. Greg is short-staffed in Southeast, so this may be something that can help us to keep moving.

- Received 6 bidders for pre-commercial thinning in the southern Southeast area. We are awarding a contract for 211 acres at Coffman Cove. \$750 per acre. We will have other orders issued when other areas are field ready.
- Issued two, separate 5-year schedule timber sales for northern and southern Southeast Alaska last December. We expect to adopt the schedules in March.
- We are continuing to work on technical edits to the Haines State Forest Plan, and scope the agency input regarding its proposed revision.
- Greg met with Chilkat Indian Village regarding forest management issues in Haines.
- Mat-Su Area:
 - Stephen Nickle, Area Forester
 - Working with the Hazardous Fuel Reduction program staff to develop a strategic fuel break in the Trapper Creek/Petersville Road Area. We are evaluating the opportunities to salvage timber off parts of the project where it is feasible, rather than just masticating it all up. We want to look at that for all future fuel breaks, to try to use the access and things like that. We are working with the Mat-Su Borough and DNR and DOT for the authorizations for that particular fuel break.
 - Developing Best Interest Findings and Forest Land Use Plans for upcoming timber sales this summer.
 - Undertaking the process of updating the Susitna Forestry Guidelines. They haven't been updated since 1991 so we are working on that.
 - Assisting the Municipality of Anchorage's tree canopy assessment update project. We are providing historical context from previous assessments that have been done in the municipality.
 - We're getting interest in carbon credits and storage. We are researching areas in the Mat-Su, which could make use of all the dead and low-value timber we have, which is quite a bit there. Quite a bit of it is dead and dying and it is why we have timber sales sitting on the shelf that nobody is interested in. It's kind of tough.
- Kenai-Kodiak Area:
 - Area Forester Diane Campbell
 - Completed a layout and cruise for 10-acre negotiated sale in the Seward area. It has some good access but the operator is also interested in helicopter logging, selectively logging in some of the upper areas, which is interesting and good if it is economical.
 - Performed site visits for two personal house log units
 - Updating GIS maps and files
 - Tentative meeting of the Homer Demonstration Forest Steering Committee
 - We've applied for a special use permit with the University of Alaska Land Management to access forest roads in State parcels in the [Weizal] area, just north of Homer. This access is needed to repair DOF roads on DNR lands for

forest inventory and future possible timber sales. The permit is out for public review and the University said they don't anticipate any issues.

Nathan Lojewski: You said \$750 an acre for pre-commercial thinning, is that pretty typical for costs down there? How does that compare to past projects?

Greg Staunton: We received 6 bids for those 211 acres. We issued a master agreement, which allowed us to get a feel for availability of contractors and develop a pool that we could access quicker than if we competed this in a broad sense, every time we wanted thinning. We received 6 interested bidders and their prices ranged from \$750 per acre up to just under \$1000 per acre. Half of the bids were below \$800 per acre. They were, I would say, competitive bids. A couple of the contractors were from out of state and were dealing with some issues of understanding what they were bidding on, so their price probably reflected that and they were on the high end.

Nathan Lojewski: Can the State share those bidders? I'm asking because I have some folks who have been asking about doing pre-commercial thinning and might be interested in potential contractors.

Greg Staunton: Yes, that is all public information. I can send those to you.

Eric Nichols: Two questions on the PCT. At \$750 an acre have you looked at trying to do a return on investment on that silviculture cost? Next, is that federal money paying for that or is it state money paying for that?

Greg Staunton: We did do an economic analysis. We used a similar economic analysis we'd seen done on several reports by consultants for the Forest Service. Based on the perspective of cost and money, it made sense to do that for under \$1000 per acre at this time. I would need to refresh my knowledge to give you specifics on rotation age, expectations, and things like that. That would be very site specific. [inaudible] out of state funds. I believe it is being funded out of timber sale receipts. Is that correct, Jeremy?

Jeremy Douse: Yes, mostly timber sale receipts.

Eric Nichols: When I started we had to run those calculations for everything we did on silviculture. I am just trying to get a feel for whether you can get a reasonable ROI on doing that or not. It is interesting that you did look at it and it has a positive number.

Greg Staunton: Yeah, I was a little concerned about it when we got into it a few months ago given the costs of inflation and what figures Jeff Hermanns was mentioning- he might encounter as he worked with SeaAlaska on executing on Mental Health Trust land. There has been a fair amount of rhetoric- and some of it is not rhetoric, that's been coming out of the Forest Service on having to accommodate certain requirements for bidding for that to occur on their land. I am feeling better at this point given the one bid that we've had.

Eric Nichols: On the Kosciusko sale, we got the opportunity to harvest stands that had been PCT'd right adjacent to the areas that had not been PCT'd, and it is just a world of difference. If you can economically justify it, it helps out Southeast Alaska immensely get these m per acre down to a reasonable level that you can grow to maybe harvest this stuff in 55-60 years.

Greg Staunton: My observation working on state land is pre-commercial thinning is really going to benefit us in those areas that have a high concentration of hemlock naturally occurring. If we can somehow get the spruce percentage increased there and perhaps decrease some of that stem exclusion phase that you tend to get at stagnation with a hemlock type. That should aid the future management of that piece of ground.

Eric Nichols: The Forest Service- the thinning they did early on on Kosciusko, what we cut out was 89% spruce. They really hit taking the hemlock out.

Jeff Hermanns: Steve, your comments about timber sales that were on the shelf and somebody purchasing those for carbon? I guess I didn't quite understand what is going on there. I was wondering if you could give a more thorough explanation to that?

Steve Connelley: A lot of the sales just don't have much interest because they are predominately chords of firewood and things. We have to find places with very good access to them- so that's one thing. The other thing, from higher up, there has been people interested in carbon coming from inside the State and outside the State. Carbon credits, sustainable aviation fuel, things like that, which would be a huge help to us managing the Susitna Area forest. They can use all the dead and dying trees, alder, and many species like that, so it would help us get some of the forest back growing again.

Jeff Hermanns: Ok. I understood it the other way- that somebody was purchasing this for carbon credits and that it wasn't going to be harvested. So that is good news, that somebody would actually go out and harvest it for a renewable energy project like that.

Jeremy Douse: I am not aware of anybody trying to buy timber sales for a carbon project just to retain it.

Jeff Hermanns: Thanks for that clarification.

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

- Northern Region map shows the State Forest and hollow polygons are proposed additions. Most of the staff in Northern Region have been pretty busy assisting as needed for State Forest additions, legislation, management plans, all kinds of stuff recently.
- Fairbanks Area:

- We are logging across the Teklanika. Northland Wood Products has a timber sale across there. They had been pumping water and working on the ice bridge for some time. That is now officially open for them so they are bringing multiple trucks, I want to say between 4-6 trucks a day, coming off of that sale back to the mill. That's been good to see.
- Since our last meeting, we did have our Fairbanks auction and we were able to sell 5 out of 8 sales, which isn't bad. Thankfully they were mostly the larger value sales that we sold. You can see in the table who got the sales on those- mostly Northland and then a couple of our other loggers. Fairchild will probably be delivering logs to Northland. Then the Bennett Enterprises, he does some of his own milling down in Nenana. Those other ones will be available over the counter and hopefully get picked up and sold also.
- Currently Fairbanks-Delta area has 96 active timber sale contracts. In my experience, that is pretty high, pretty good. You could expect maybe between a quarter and a third of that 96 to be worked on at any point in the year. It is not like 96 active sales means that there is logging going on in 96 different locations, but as is the case with some of our larger purchasers like Northland- they might have 4 or 5 sales on the books and be working one at a time. That number is impressive, but I would just keep in mind that probably about a third of that is really seeing activity.
- Highlighting that the stumpage from the auction was almost \$180,000.
- Tok Area:
 - Finally finished up their 5-Year schedule. Our resource forester put a lot of work in on that and we appreciate it. Primarily a lot of the additional work was working with Joe Young to try to get his units in the schedule in the correct years. That way we can start pumping them out and working on them. We have stuff in year one, and that is what their first task is for that schedule- getting the units that we have gotten from Joe along the Tok River out, get the public process done, and get those available for purchase. We will be able to spare some people to help out as needed for that.
 - The forester had an issue with a vehicle that wasn't reliable and working. We got that resolved and got him another vehicle down there. A lot of times he has to come up from Glenallen so that will be a big help.
 - There is a number of fuels and fire things going on that we're helping out with in addition to the timber and firewood. The CWPP project- Community Wildfire Protection Plan. I know that both Kato and Dev, both of our foresters, are assisting with that.
- Forest Inventory and Analysis Program:
 - All foresters and tech 3 are back on. Everyone is getting set up for training and starting to get ducks in a row for the season.
 - They have 196 plots identified. That will be all across the lower Kuskokwim, McGrath, then up towards Minchumina. There will be a lot of work, hopefully. That 196 is their goal.

- They have a couple of Technician 2s to recruit, but not much. They have a high number of returning staff, which is good to see.
- Over the winter, they did get their Master Agreement with Pathfinder, who is the contractor for the helicopter, finalized and signed. So that was obviously a big win for them.
- Other Inventories Managed:
 - Updated the CAFI field manual
 - Working on report for Fort Wainwright Forestry Support
 - Reviewed applications for FIA Tech 2s
 - Did some analysis on white spruce – From slide: Finished decomposition analysis of white spruce killed by spruce beetle.
- Heavy Equipment Update:
 - There is a new dozer that DOF will be taking possession of. That is our new fire dozer. It is a brand new Caterpillar D6, high track. It is going to be pretty good for us.
 - Photo of our new sign at TVSF. We also cleared trees behind the sign so you get a nice view of the valley now.
 - Egil, our equipment foreman, was called to help out by DOT to clear the haul road this winter. Our D7 was sent up there. We were able to help them out with clearing about 7 miles out of 9 that they needed done. That was good to help out.
 - Multiple years now we've been assisting with Fish & Game projects in Fairbanks and Delta.
 - I think Egil will be recruiting for an operator in the short term and trying to get somebody in for this year. Then he has a returning operator and a mechanic working for him. They will hopefully be at full strength once summer comes.

Jeff Hermanns: Kevin, can you use that new D6 on maintaining forest roads then for natural resource stuff, or is it for fire only?

Kevin Meany: It actually came about from fuels money. Part of that is accessing fuels. A lot of those would be in conjunction off our logging roads. It is going to be our fire dozer, used for fuels projects and timber projects as we can do- and our road maintenance needs. Our other dozer is down right now but we are hoping to eventually get that back up and have a second dozer. I should mention, we did also receive and take possession of a new excavator with a mulching head. That is a pretty sweet piece of equipment and we will be incorporating that on fuels, on fire, and also on forestry. We are trying to really service all three legs of the division.

Jeff Hermanns: Yeah, that is excellent news.

Jeremy Douse: Yeah, that equipment section- Kevin has been pretty key in building that equipment section up over the last few years. It really is providing a lot of support, like he said, for all three- the fuels projects, Initial Attack (IA) for fire, and then doing roads

projects. Which, as these things pop up and we notice that there are problems on roads, we've been using them. Additionally- historically, we've been focusing that equipment section primarily in Fairbanks and Delta. This last year, they went down and worked on the roads on Willer-Cache in the Susitna as well. We are making them more available to other parts of the State. That has been pretty beneficial as well.

Bill Morris: Kevin, with some of the substantial increases in helicopter costs and jet A, is that going to start factoring in what you are going to be able to do on the inventory side moving into the future?

Kevin Meany: I would imagine that is going to be a factor. I'm probably not the most knowledgeable person on it. But I think that it is probably going to be a factor for sure.

Jeremy Douse: I can touch on it a little bit. For FIA, that is a federal project. It will have an impact, regardless of if it is federal or state, but it won't be affecting our General Fund budget.

Bill Morris: So, they would just cover whatever that costs?

Jeremy Douse: Well, there have been some modifications in the frequency of these plots. We are probably not going to be able to hit as many. The further afield we go, we're probably not going to get as many plots because of these costs that keep going up.

Jeremy Douse: We are pretty far in front of our agenda. If there are any topics that the Board wants to touch on before breaking for lunch, we can do that now if there are any issues that we want to bring up? If not, we can take a long lunch. I do have to keep that 1:00pm public comment opening, just like we are always used to, just so that we are not changing the schedule on the public here. If there is anything that the board members wanted to bring up, now would be an opportunity to bring it up and we can discuss it.

Nathan Lojewski: I have something that might be of interest to the board. Yesterday, the Society of American Foresters hosted a carbon workshop in Fairbanks and virtual. I think Keith was on that meeting. But if anybody is interested, I know there has been a lot of questions and talk about carbon credits. It's fairly educational. If folks are interested. I think it is recorded and the SAF will probably post it on their webpage at some point here in the future. I can share that when it does go up if folks are interested.

Keith Coulter: I didn't want to hold people up from lunch, but have a few take aways from the carbon project. I am frustrated with how SAF doesn't seem to ask any of the academic professionals, that delve into carbon quite a bit, how the actual carbon offset scheme- how effective it is. They never ask that question, so you have to kind of drag it out of folks. One individual from the University of Arizona who is doing a PhD, she mustered up and brought up fire exclusion in the Western U.S. in the last 100 years and how it's really increasing the danger of the fires. You could sort of relate that to a carbon project, which, you know sets

aside land for 50 to 100 years. And I called it do-nothing management alternative. I'm getting some heat on that. People say, well there is all sorts of monitoring involved. I don't really consider taking measurements applied forestry. In my opinion, applied forestry involves cutting trees.

There was an individual who is a Harvard Professor that is part of a think tank that did a presentation. He quoted a paper- that'll be on the presentation that Nathan pointed out, they don't really come out and say it very forcefully, but he did say you really have to examine these carbon-offset projects in terms of their methodology and that type of thing. The paper that he cited said that 16%, I think, or less of the carbon projects actually are effective in reducing green-house gases. The individual from Michigan who represents the State. I guess they finished a carbon project a year ago and they can't sell it. He did allude that they are all having to talk about the holes in the carbon-offset scheme in general. He pointed out a few indicators in terms of the effectiveness of the carbon projects and how they might not be selling because they really can't be accountable for reducing green-house gases. If you look into this at any sort of depth, you'll see that if you are going to reduce green-house gases you need to do it at the source. The money behind carbon-offset schemes is kind of getting a little bit smeared with the people waiving the science flag around.

I always ask the same question when there is a lot of academics in the room. Can you provide a literature search, or any sort of quantifiable evidence as to how well these carbon projects have offset greenhouse gases? They never can. They always say the same things- We want to reduce logging. They never make distinctions between illegal logging for deforestation purposes, for maybe some sort of oil seed plantation, and forest management and how harvesting is an effective method to do species composition change, density control, all that kind of thing. I am disappointed with the rank and file of the SAF folks. They don't seem to have an opinion. I think they are going along to get along. People are making a lot of money. But it would be nice if we could move the ball down the field a little bit and have some of these regional guys say yes, I am for it, or I am against it, and here are the reasons why. Instead, they seem to be just largely standing on the sidelines. That is disappointing to me. Anyways- I am sure everybody who went to that meeting has a different spin on it. But those are some of my takeaways. I think it is worth understanding. If we are going to get into bed with this carbon stuff, the effects it might have on future road building- I'm sure the mining people might be interested in it. You can't get two sentences into any of these carbon developers without seeing reducing logging as part of their scheme, or eliminating logging. They never seem to tie it to how it is important for forest management.

And one more takeaway message- these carbon developers are completely unregulated. You can get on the internet. They are there by the dozen. Anyone can start a registry. They talk about third-party auditing but the third-party auditors are completely paid for by the developer. There is not some university or something that is really in the business of science coming in there, digging through their methods, and really evaluating how effective

they are. Anybody can start a carbon registry. So, just a few takeaways. Everyone knows where I sit on the project. I just wanted to throw that in there.

Tom Paragi: Can I respond to Keith?

Jeremy Douse: This was really just for the Board members right now, Tom. But if you wanted to provide comment during that public comment period, that would be great.

Tom Paragi: Ok, that's fine. In general, I agree with him. That's fine.

Denise Herzog: Keith- I read the article you sent to us yesterday. That was interesting.

Keith Coulter: I'm coming off sounding like a looney about the carbon stuff. But I have a little bit of academic training, I was a terrible PhD person, but I went and got one anyways. I've taken a few research methods classes and there are a few basics that you look for when anybody pitches one of these things and you know, literature cited to support some sort of compelling argument as to why we should do something, and these guys are really shy on some of those things. They put up charts and they're just sort of- Take my word for it kind of stuff. Without belaboring it I sure hope we are looking into this with the kind of scrutiny that it deserves. I also think we should consider what might happen if the value of these carbon credits dissolves. I think you can see evidence that people are a little more skeptical of the whole thing in general. I assume that it is going to bust, like a lot of things. These guys are in the business of selling carbon credits. They are not really scientifically oriented, in my estimation.

Jeremy Douse: Later this afternoon on the agenda, we do have Trevor coming in to give an update on carbon, carbon offset projects, and just an update in general. We will be talking for sure more about this. But I appreciate the comments there, Keith.

Public Comment

Tom Paragi: ...[Recording started late]...This is a reduction of your board powers and duties under AS 41.17.047. I think the Board of Forestry involvement through FRPA has served the resources and the public well for four decades. Finally, I did want to respond to Keith Coulter's comment about the carbon offset projects we covered in a workshop yesterday. The impetus for that workshop came from the Board of Forestry last October when Chris Maisch and I heard multiple board members express frustration with the many questions around offset projects, and even the desire for Board training on it. So, we invited a range of speakers, some of which whom Keith acknowledge raised critique about project effectiveness. Part of our goal was to identify further potential topics for workshops to explore. Based on what Keith expressed- and I generally agree with what he said, I think we could hold a day-long workshop with invited academics on both the pro and con side, regarding whether these projects actually result in carbon offsets as reported by contractors. I think we can also invite economists who can address the scope and dynamic nature of carbon markets, and the risk pool for fire losses, given the costs and labor

constraints for fire management for projects in the boreal region. In lieu of a workshop your board could consider a Science & Tech committee on this topic but I know you're cognizant of staff constraints in DNR and more pressing topics need to be addressed, like road standards. And speaking of the lease bills, we could also have a day-long workshop with invited economists and timber operators to understand better how 55-year leases of State Forest land for timber management would actually work for leasing investments, given the constraints of access and product markets in the Boreal Region, and the pros and cons of giving so much deference to a future Commissioner to apply FRPA or voluntary best practices. I appreciate the opportunity to comment and I'd love to hear any feedback board members have regarding these workshop ideas.

Jeremy Douse: Before we do that Tom, are your comments typed out? I just wanted to capture them and I started the recording a little late. If you have them typed out then you could email them to me so I can get them into the minutes.

Tom Paragi: That'd be fine Jeremy.

Randy Bates: I don't have any issue or questions on [Tom's] comments. The reason I raised my hand was it looks like, and for those of you that don't know me I'm relatively new to the Board, appointed in the last few months, so this is the second meeting. Just trying to get my feet under me, understand what's happening, who the players are here. When Tom was speaking he is speaking from what looks like a Fish & Game sponsored phone. What I'd like to understand, from either Tom or other public speakers that are coming in, who do they represent? Who are they for, if they are willing to share. Is Tom speaking on behalf of Fish & Game? Is he speaking as a member of the public? And again, it's nothing with Tom, I just need to understand where the perspective is coming from and if they represent an agency. Is that fair Jeremy?

Jeremy Douse: That is fair, I appreciate you bringing that up. I should've asked people to state that when they speak. So, Tom, just to back up to that point. If you wanted to say who you are representing on the comments that you just made.

Tom Paragi: I am just representing myself. I retired from Fish & Game last summer but I am still, as a volunteer, writing up some of the work that I did as a wildlife biologist. So that is why it says "sponsored."

Randy Bates: Copy that. That helps me, and by the way, our world is run by volunteers- so thank you.

Keith Coulter: I could chime in if anybody's got time for it. Tom, I appreciate your comments, and I agree that some further workshop classes might be helpful. I hope that they ask the right questions. I think that we should lean on these folks a little bit harder to demonstrate the viability of carbon projects. The only language we can speak for this topic is science, so I've notice that the word science is being thrown around a lot. They have to

really demonstrate, at least to me, through peer review literature, how these things do or don't work. One criticism I have with the SAF gathering is that I see very few people sticking their necks out. And I don't know if that is because they represent an agency and they don't want to get bit, or what exactly that is. Even if I don't agree with it, I'd rather see someone take a stand so we can move the ball down the field. Although a few people did pipe up during the meeting and actually say what they think the carbon credits are worth in terms of value, whether they are effective or not. The work that you are doing is important and effective and I appreciate it and thank you for the comments.

Tom Paragi: As we get down the road of doing that, I will be back in touch with you because we want to address the questions that people think are important. For the purpose of the workshop, Crish Maisch and I were trying to remain objective. We were representing SAF on it, and if SAF has the ability to make a position statement on something, if it gets to that point, we are kind of in the exploration and scoping stage.

Keith Coulter: SAF has a position on carbon credits. Again, I take issue with it. SAF is supposed to be the best available science-following organization, and I don't think that the carbon offset projects can stand up to that kind of scrutiny. I have a love-hate relationship with SAF on that topic. I don't know if they are following the money like a lot of these folks, and they want to increase their ranks, or whatever it is. If we are using science as a determination for the effectiveness of carbon offsets, and we are going to get in bed with these organizations, then they should be able to provide defensible evidence as to how well they work. I am coming up short trying to find anything that is not directly supplied by the developers themselves. Thank you.

Jeff Hermanns: I wanted to commend the Division of Forestry on their 5-year timber sale schedule for Southeast Alaska and for Tok. I think that is a huge step in the right direction, showing industry what your intent is in the near future to try and put up as much timber as you can to keep the investment and confidence in the timber industry, so they do continue to invest. Because that is our number one problem that we have right now, this equipment is incredibly expensive. To go out and buy a \$700k log shovel, you have to have confidence that there is going to be an industry in the near future.

Jeremy Douse: I appreciate that Jeff, again, I just wanted to reiterate. You also have a DNR tag on your name so who you are representing and the comment on it.

Jeff Hermanns: Sure, my name is Jeff Hermanns and I am the Forest Manager for the Alaska Mental Health Trust's Trust Land Office. The Trust Land Office is part of DNR State Forestry, but we have a complete different mission. The Trust has been harvesting timber since the mid-1990's and we continue harvesting timber to raise revenue for the beneficiaries that we are tasked to raise money for. So the other comment I'd like to make is on the Science and Technical Committee. When all of us were on the line here, I guess I was struck by the number of federal people that were invited to partake in that. I talked with Clarence and Eric and others, and I guess I am super puzzled why we would invite that many federal

representatives from these federal agencies onto a State Forest Practices Science & Technical Committee. There are a lot of experts just on this call and in this meeting, and others. I guess I just- when we do go to form the Science & Technical Committee going forward, I would highly encourage us to rethink who all is on that committee and who is going to partake in it. Maybe you can help me understand why we would have all of these federal interests on something that is for state regulation of State and private timber harvest.

Jeremy Douse: I can respond to that, Jeff. We have not put that committee together yet. We still have to go through the Effectiveness Group first. That is the process that's been laid out to me anyways. First actually, what I think we need to do is really define what the question is. Then go to the Effectiveness Group and then put the Science & Tech Committee together. To your point, I think there were some federal folks that were identified as potential folks to be on the committee, just because of their expertise, their focus and what they do. It was just names, and we do not have a committee put together yet. So your comments are well taken.

Jeff Hermanns: Thanks Jeremy, that's all I had.

Melis Coady: I'm representing a nonprofit organization called Susitna River Coalition. We have about 14,000 members throughout the Susitna Valley. I am calling today from Talkeetna, specifically. This is my first Board of Forestry meeting, so thank you for having me. I am really impressed with the level of expertise in the room, on the call, and the cordial atmosphere and the level of dialogue. I am enjoying my first meeting. Specific to my comments- the people that I represent call the Susitna Valley home, and our members include homebuilders, people that have sawmills, crafts people, people that rely on sustainable timber for firewood, furniture, cabinetry, local wood products. And also people that represent hunters, anglers, outdoor recreationists. So, our livelihoods really depend on healthy forests for how we go about our lives and our traditions. So, what I have been tracking recently is 3 major forestry-related efforts, which all have their own pros and cons. Together, it seems to me- and what I'm trying to understand, is if they could permanently reshape land management, not only in Alaska, but certainly in the Susitna Valley. The 3 things I'm following are there is a proposal for a Susitna State Forest that would designate, I thought it was 760,000 acres but Jeremy- you thought it might be upwards of 800,000 acres, but regardless, the Susitna State Forest Plan. The second thing is there is an ongoing update to the Sustina Valley Forest Management Plan. Then the third thing is there are two timber-focused bills in the legislature. Senate Bill 75 and House Bill 72. What I am trying to understand is, while they each deserve careful review on their own, but in tandem, it seems like those three things can really shift the long-term management of vast areas of State-owned land to a much more narrow set of interests than how those lands are managed now. So, it might be at expense to other uses like settlement, agriculture, recreation, habitat, and local wood supply. So just to end on this, because I've been following the House and Senate Bills quite a bit, specific to those because I know the Board was looking at those today. In my review of those, they seem to actually have a significant loss of public

oversight. Even though there is public notification, you lose public comment periods. There is a removal for the requirement for the Best Interest Finding. So, the concern there is that Alaskans would have no say in decisions that impact fish, wildlife habitat, water quality, and access to public land. The second thing is it is all kind of in this broader effort to privatize forest management. These leases would be at the discretion- it really consolidates power around the Commissioner of the DNR. And we are seeing this with other bills, like Senate Bill 91- for other efforts. So that's in this bigger atmosphere, what is happening there. Then, it would weaken environmental protections, exempting timber management leases from best management practices, and then as Tom mentioned, the Alaska Forest Resources and Practices Act. Concerns we have there are a lack of riparian buffer protections, and things like that. There is this re-definition of forest land, which is broader than we're used to. It doesn't include just designation of State Forests. It raises concerns about a broader scope of land that could be leased under the legislation for forest management. Then, specific to West Su, which is something that we watch, there is a concern that it could actually- some of these bills, prioritize the infrastructure that is sometimes used for wildfire management and stand rotations. But would really, actually be subsidizing some really expensive infrastructure for controversial projects. In summary, I am worried about the long-term impacts about these concurrent processes. What happens when the Susitna State Forest, the new management plan, and these leased expansions interact, and could it be locking vast tracks of State land into private hands for the next 100 years. And we really want to make sure that we still have local timber use for homeowners, homebuilders, firewood, mills, craftspeople. That summarizes my concerns. You all have a lot of expertise to look at it through that lense. But I wanted to bring those points up, so thank you so much.

Jeremy Douse: Thank you Melis. I want to give anybody on the Board an opportunity to respond to Melis.

Eric Nichols: I didn't have anything on what Melis had to say but I did want to make a comment on carbon before we got into that again here. So basically, where we are at in Southeast Alaska, we've got old growth forest. the Forest Service has about 5.4 million acres of old growth left. We've set that aside for the last 4 years, based upon carbon sequestration. When Keith and these guys talk about scientific- what I can find out is that the forest is dying at about 2% per year. So, we are not growing any new carbon, we are releasing carbon every day, we harvest in that timber, we see what the defect is into it, and the amount of blow down and dying that we have in these forests. I guess if we are going to look at anything from a scientific basis, I would sure like to see it- look at what the long-term impact for the carbon is inside of these forests that are either stagnant, or in decline here.

Nathan Lojewski: Today was the first I was aware of the House Bill 72 and Senate Bill 78- if I got those right. The forest timber leasing. I would have some of the same concerns Melis brought up, but I don't think I know enough to evaluate them accurately. If FRPA and Best Management Practices would not be required in timber management leases, that seems

like a way we wouldn't want to go. The FRPA applies on all land ownership across the state. I'm assuming, and I know if you have any information on this, but if that bill came to fruition, and a company or individual had a 55-year timber land lease, would they be required to follow a management plan or could they be able to liquidate all that timber in a short period of time? And are there provisions for local use and other things? It is still state land and earlier you said public access would be maintained. Subsistence and hunting and all those other things. If it is run the way the Tanana Valley State Forest is run, all of those activities – multiple use management is occurring there, but there is also timber management, which is I don't know if I would say it is prioritized but I would say it is definitely allowed and encouraged in that location. So, I'd love to have some more information on what the effects of that bill would be. Maybe I just need to read it. There is regulation that would come out of it if it was enacted into law and those haven't been written yet?

Jeremy Douse: They have not. So, the way that I understand it, the way that the bill is written, a lot of these questions would be worked out either in regulation or in the lease document itself. What I would recommend is that you read the bill, and then there should be two recordings for Senate Resources and House Resources on the bill. I think some of these same questions were asked. That might help with getting at least an initial understanding. Like I said, I don't know what happens now, there has not been a request for another hearing so, we'll see what happens through the legislative session here. Any other questions or comments from the public?

Tyler (caller): My name is Tyler, I am a Juneau resident, just representing myself. Echoing some of the similar comments that Melis made just in noting the specific omission of Best Interest Findings from House Bill 72/Senate Bill 75, and on a lease that could be extended 55 years with another 55-year extension would essentially give whatever private entity a 110-year access on these lands that are specifically exempt from FRPA best management practices is my primary concern. Just wondering, it does seem that then, the regulations guiding their use on those lands would be worked out in lease agreements that are effectively exempt from public input.

Jeremy Douse closed public comment period at 1:26 pm.

Carbon Offset Updates

Jeremy Douse: Trevor Fulton is not available to speak today, so we will have to reschedule the carbon offset update. I apologize to everybody for that. I will carry this over to our next meeting so that he can provide an update for the carbon project, or carbon projects. I can say, from what I know of it, for those of you that maybe listened in yesterday and got some of this, I wasn't able to attend the entire meeting. But any project on any State land is definitely still in the feasibility study phase. Nothing has moved forward yet. We are still working through getting the language in the management plans, which would be required before we put out any Best Interest Findings for a carbon project. So that is where that sits

at this point. Does anybody have any questions or specific comments they want to make on the carbon offset update that I could relay to Trevor and then try to get you an answer?

Keith Coulter: One of the comments I'll have involves the portion of the project for the Best Interest Findings and how that is being evaluated, and what the topics are going to be and the level of investigation that is going to be dedicated to those topics. I'd be curious what sort of economic analysis would be considered, given if there was a robust timber industry in these same areas and what that would contribute to the region, versus a carbon project, and how the money gets divided up and how many stakeholders would be affected. I guess overall I'm wondering who determines the Best Interests- which ones are going to be pursued? Who is doing the work? Are they matching dollar for dollar, the effort that they are putting into the carbon project are they going to match dollar for dollar, the flip side of the Best Interest Findings and pursue all of those questions with the same amount of vigor? Because, if it is just Terra Verde doing the Best Interest Findings, it seems like they are just going to navigate the project with a particular amount of bias. Anyways, those would be my comments on the Best Interest Findings. Who is doing what, what are the topics going to be, what determines them, and the level of scrutiny and financial backing to actually pursue those questions with- you know, be thorough about it.

Jeremy Douse: Thanks. Just for clarification and maybe I didn't hear you right- I can tell you that Terra Verde wouldn't do the Best Interest Finding, that would be the State doing that. It might be on information that is provided by Terra Verde, like technical information, so there would be a preliminary Best Interest Finding that goes out for public comment, and then a final Best Interest Finding. I am guessing that you understand that, Keith. But I will relay this to Trevor. And I apologize again for Trevor not being able to call in today.

Alaska Forest Association Updates

Clarence Clark – AFA

- I appreciate the opportunity to speak about the Alaska Forest Association. First, we'd like to start off with officially congratulating you, Jeremy with your new position, and look forward to working with you as we progress in finding what the industry will be in the future and building a foundation for a firm industry. I also want to take the opportunity to thank the Board of Forestry members for accepting me so openly at the last meeting when I sat in for Mr. Nichols. I guess I should probably thank Mr. Nichols for not being available and giving me the opportunity to sit in as an alternate on the Board of Forestry. It was entertaining and very informative, and I very much appreciate the opportunity. One of the best things I think about the Board of Forestry in October in Fairbanks there, was the field trip and the conversations that board members had during the field trip and the opportunity to talk about topics we had discussed the day before. One of them being the conversations about roads which, I had conflicting meetings this morning I did not get to listen to, but it sounds like maybe there was some road conversation earlier in the day. I appreciate that, I would like to be involved, and AFA would like to be involved in that conversation, which brings up the next topic.

- When I was looking through earlier Board meeting minutes, and I think there are some emails from other Division of Forestry employees, there is a question about the Effectiveness Group and who is part of the Effectiveness Group. In the minutes, I noticed that there was not any industry representation in the Effectiveness Group. Reviewing regulations in regards to the Forest Resources and Practices Act, there is a regulation that states that industry would be involved. So I would like to take this opportunity to offer up AFA's interest in being involved in the Effective Monitoring Group and being involved as the industry representative in that group.
- Since October, this winter AFA has been working and developing a public outreach campaign in regards to what I talked about at the meeting in October, about AFA's interest in a land exchange, transferring National Forest Lands in Southeast into State hands. That outreach campaign is starting today. It is both a statewide and a national-wide outreach. Hopefully in the next several days or within the next week, you should be hearing different people talk publicly about the idea of the land exchange for, again National Forest lands going into State ownership.
- The other thing I'd like to share with the Board of Forestry is, sometime in the next 10 days, AFA will be filing a lawsuit against the Forest Service, in regards to the Forest Service's lack of offering timber sales to maintain the existing industry. We believe that is against multiple laws. So again, we are filing litigation in the next couple of weeks in regards to the timber supply that has not been provided by the U.S. Forest Service.
- Those are the comments I wanted to share with you from AFA. If there are questions, I can try to answer questions.

Keith Coulter: I have a question, how are you going to fund a lawsuit? Just out of curiosity.

Clarence Clark: Thanks Keith. We have struggled with that since July 2021, when Vilsack changed the trajectory of the Forest Service timber sale program with his press release of that immediate transition of young growth into old growth. We have found a nonprofit legal group, the Pacific Legal Foundation (PLF), and they have taken on the lawsuit for us.

Keith Coulter: Could you make available some sort of voluntary donation on your website, or perhaps a Go Fund Me, or something? Just knocking around ideas for those of us who'd like to throw in.

Clarence Clark: I will talk with Tessa, the Executive Director, and see. Right now, Pacific Legal Foundation is covering all the costs of the lawsuit.

Keith Coulter: Ok, thank you.

Jeremy Douse: Any other questions in relation to AFA comments?

Eric Nichols: I've got one- I give up my seat for one meeting and Clarence comes back and says that he's nicer than I am. So I'm not sure what to think of either my board members or

think of Clarence. Anyways, I represent an industry group, and I represent it as if it's my own, if I get a little bit testy, it's because I'm pissed off and I don't apologize for that whatsoever.

Clarence Clark: So, to clarify what Mr. Nichols just said, Eric and I have been friends and have a working relationship for 35 or so years now. What I told Mr. Nichols was that the Board of Forestry members said that I was a much nicer person than Eric, and the fact that then they turned right around and said, we wish Eric was here so we could have his infinite knowledge of the topic.

Jeremy Douse: Thank you, Clarence for calling in and giving your update. It is good to hear what is going on with AFA.

Clarence Clark: One last thing. AFA's spring convention will be in Juneau on the 18th and 19th of March. I think all of the members of Board of Forestry will be receiving an invite, just to make you aware. Timber Committee meeting is the morning of the 19th. Thank you very much, appreciate the opportunity.

Wrap-Up

Next Meeting Date and Agenda Items

Chair Douse opened discussion on the next meeting date, traditionally held in August with an associated field trip. Board members shared availability and scheduling constraints:

- Bill Morris preferred a meeting before August 10.
- Nathan Lojewski noted early August conflicted with peony harvest season; preferred late August.
- Randy Bates explained commercial fishing season extends through August, making attendance difficult.
- Keith Coulter suggested pushing the meeting to September or October, though that would overlap with moose season for several members.
- Denise Herzog emphasized the importance of setting the date early and noted her unavailability after August 22.

Following discussion, consensus formed around the week of August 19–21. Chair Douse proposed August 19–20 as tentative dates.

The Board also discussed a potential field visit in Southcentral Alaska, with Kenai or the Mat-Su Valley as possible locations. Suggestions included touring recent fuel break projects, visiting local sawmills such as Papoose Milling and Bond Brothers, and examining small-diameter birch and beetle-affected spruce stands.

There was general agreement to pursue this plan, with follow-up details to be confirmed.

Board Comments

Bill Morris: Thanks to you this go around for assembling the meeting. Thanks to all our speakers, presenters. I'm interested in the concept of the workshop that Tom Paragi had referred to, where we can get into a little bit more of the academics and economics- which may be a little more real world associated with some of this carbon concept. I think that is something we've expressed a lot of interest in. I know previously we've talked about the Science & Technical route and opted not to go there yet. But I think that kind of information and, not within the confines of a Board meeting with a bunch of other things going on, but something a little more dedicated, is something I expect multiple Board members would be interested in dedicating an additional day to. I know I would be. I also plan to- I already looked up and downloaded SB75. Multiple folks brought up some concerns, at least with the initial language, that is something I want to read more about and understand more about. Particularly, if there is truly an exemption somehow from FRPA for up to 110 years.

Denise Herzog: So Bill stole all of my thunder. Thanks Jeremy. And you said that the 2 hearings that were in the House and the Senate for those bills are available online, probably on the legislative affairs website?

Jeremy Douse: On the legislative website, yes. Alright. Eric, do you have any comments?

Eric Nichols: When have I not? So, this is really for DNR/DOF here primarily. I think you guys are going to have to pay attention to what is going on at the federal level. I was in a meeting in Denver in early December and I was pushing Crish French, who is Deputy Chief, pretty hard about what they are going to do in the Tongass with the new administration. Their skillset has really been decimated during the Biden administration. But now with all the layoffs, it's going to be even worse. I asked Chris what are you going to do? And he said they were going to look to the State for help. So I don't know if you guys have heard anything on that or not, Jeremy. But if they're going to get anything up and going they're going to have to have some help. Whether it is a GNA or whether it is a purchaser layout, or whatever it is. What I just saw was the Chief is resigned. They are going to have a new chief in place by the end of this week, so that may tell us some things here shortly. We have another Board meeting in D.C. in 2 weeks and we'll meet with some people at the White House and I'll push them again on what are they going to do on the Tongass specifically here. I do expect to see some pressure on the Forest Service to do something different than they've done for the last 3 years.

Jeremy Douse: Alright, thanks Eric. We have talked more with the Forest Service about GNA. They do sound- there is more emphasis on that for sure, and I bet there is going to be a lot more.

Eric Nichols: I think you are going to get pushed. I think everybody is going to be looking for field help people here. I think they are going to be very short.

Jeremy Douse: It would be great if they could help us pay for some of those field helpers.

Eric Nichols: I think, at least with GNA, you do get some money coming back.

Jeremy Douse: Thanks Eric. Keith, do you have any final comments?

Keith Coulter: Not too many final comments. Cut trees, not carbon would be a comment. If you start reading through as many peer review articles as there are, and exploring carbon offsets as a beneficial, scientific, legitimate approach to reducing greenhouse gases, unless you are diluted by the money that is involved, you are going to see that most of those benefits are realized through typical forest management. And I think that is getting really watered down. That what these guys are promising, would actually be realized through typical forest management. You can't have a healthy forest if it's not being harvested for a variety of reasons. It is basic Forestry 101. Anyone that tells you that you can set a forest aside for 100 years- I mean 30-something years ago when I was in Forestry school, we never learned that you just don't touch it for 100 years. That is the antithesis to anything that we were taught. So, there is legitimate management steps that need to be taken. They all involve harvesting. I think they can achieve probably a better regional economy through an active forest industry than we ever could with carbon. So, thank you.

Jeremy Douse: Thank you, Keith. Randy, final comments?

Randy Bates: Thank you. Nothing of substance. Jeremy, congratulations to you on the position. You run a good meeting and a tight ship ahead of schedule. Good luck on your recruitment for Shannon's replacement. We are all cheering you on. Again, just appreciate being a part of the Board, part of the education process here for me and listening to others that have a world of experience. I appreciate it and I learn from it. Thanks, and hopefully we see you in August.

Jeremy Douse: Thank you Randy, and thank you for coming onto the Board. We really do appreciate it. Alright, Nathan.

Nathan Lojewski: Yeah, I've got a few things. Just one about some of Keith's comments on carbon. I am just going to read the last bit on the SAF position statement on carbon credits: "The SAF recognizes that foregoing forest management, often the most common practice applied in existing forest carbon offset projects in the United States, is not a sustainable method for securing future forest resources and resilient forests for future generations." So, I think the SAF just laid out that doing nothing is not a good option. And I just wanted to make that point. I am also glad we have a State Forester, congratulations Jeremy. We have a leader at the helm, which is great. Today was my first- I didn't realize we had the forest leasing bills. I'll have to read those more to see what's in there. My first thought was, oh this is pretty cool. If someone who wants to develop a forest project can enter a 55-year lease, that gives them some certainty in supply that they can go to the bank and get financing. Or maybe not the bank, maybe investors- however you are going to finance. Maybe a big OSB mill wants to go in or whatever. It's a good chunk of time that someone can really put some

investments towards a project. And that was exciting. But I am concerned if there is an exemption from FRPA and best management practices. I will have to do a little bit more reading on that to wrap my head around it. That is concerning to me. Thanks, that's all I've got.

Jeremy Douse: Thanks Nathan. I appreciate everybody's comments. So, like I said certainly by August we will have Shannon's replacement in place. I will try to get last meeting's minutes and this meeting's minutes put together for you all to review and we will start putting an agenda together for the August meeting. I appreciate everybody's time.

Denise Herzog: Can you see what Kevin's picture is on the meeting icon?

Jeremy Douse: Yeah, it is a picture of the Valley. He is down in, I think Wasilla, today.

Nathan Lojewski: That might be where the railroad tracks end. I'm not sure if that's what it is but it might be. To Point MacKenzie.

Bill Morris: Who had the moose comment on there? "Don't crowd moose season?"

Keith Coulter: Yeah that was back when we were talking about dates, that's all. You're supposed to read them as they go, but I guess that doesn't happen. Thanks.

Bill Morris: I second Keith's comment to not crowd moose season.

Jeremy Douse: Understood. I get it. Alright, thanks everybody I appreciate it. We'll do it again here in August.

Meeting Adjourned