

**Minutes: Board of Forestry Video Conference Meeting  
Tuesday, August 19, 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 at the Division of Forestry & Fire Protection office in Palmer. The public notice included connection information for telephonic and Microsoft Teams participation.

**Present (in-person):**

Jeremy Douse, State Forester  
Eric Nichols, Forest Industry Trade Association  
Keith Coulter, Non-Governmental Professional Forester  
Nathan Lojewski, Alaska Native Corporation  
Brian Kovol, Environmental Organization  
John Rusyniak, Recreation Organization

**Present telephonically:**

Bill Morris, Non-Governmental Fish/Wildlife Biologist  
Brian LaPlaunt, Mining Organization – Herzog Alternate

**Others present in person:**

Kevin Meany, Steve Connelly, Trevor Dobell-Carlsson, Nate Zalewski, Ashley List, Stephen Nickel, Mike Cooney, Lily Coyle, Norm McDonald, Julian Neubauer, Andy Jones (DFFP)  
Matt Labrenz (UAF Cooperative Extension)  
Jeff Hermanns (Mental Health Trust)  
Tessa Axelson (Alaska Forest Association)  
Brian Kleinhenz (Terra Verde)

**Others present telephonically:**

Ben Mulligan, Brock Tabor (DEC)  
Nicole Grewe, Dan O’Leary, Priscilla Morris, Samanta Carroll (USFS)  
Mark Minnillo, Kate Kanouse, Greg Albrecht, Todd Nicols (ADF&G)  
Jeffrey Green, Jusdi Warner (Mental Health Trust)  
Julia Nave, Jillian Schuyler (The Nature Conservancy)  
Marya Lewanski (Fairbanks North Star Borough)  
Marcus Mueller (Kenai Peninsula Borough)  
DeShana York (UAF Cooperative Extension)  
Avey Menard (University of Washington Native American Law Center)  
Matthew Boline (Trout Unlimited Southeast Alaska)  
Tom Paragi (Retired ADF&G)  
Joe Young (Young’s Timber Inc.)  
Additional participants attended telephonically.

## **Review of public meeting notice and agenda**

Chair Douse noted updates to the agenda, including an Alaska Forest Association update at 2:30 p.m. and revised wrap-up time of 2:45 p.m. He also noted scheduling constraints and the public comment period at 1:00 p.m.

## **Approval of Minutes**

Jeremy Douse requested edits to the October 29, 2024 and February 26, 2025 meeting minutes. No edits were proposed; and action on approval was deferred until the arrival of a Board member.

## **Announcements**

Jeremy Douse announced a recently published Wall Street Journal op-ed by Sarah Dahlstrom regarding the state of the forest industry in Southeast Alaska. Eric Nichols noted the article's relevance to national industry discussions, and Secretary Rollins also commented publicly on the op-ed. Jeremy confirmed the article and related comments would be distributed to the Board.

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

### Jeremy Douse (DFFP/State Forester)

- The division received a largely flat operating budget.
- Forestry received authorization for three new positions, representing an operating increment of approximately \$402,000: a Forester 3 (Range 18) in Haines, an Engineering Associate (Range 21; location TBD), and an Accounting Technician 3.
- No capital budget adjustments were approved.
- On the legislative side, bills related to timber management leases and expansion of the state forest system were introduced during the previous session and carry forward into the second year of the legislative session.
- The bill ultimately introduced proposes an expansion of approximately 600,000 acres to the Tanana Valley State Forest; the Susitna Valley State Forest proposal was not included due to unresolved issues.
- The bill was introduced late in the session, was not heard in committee, and is currently assigned to the State Affairs Committee.

Eric Nichols: Can you provide an update on the long-term leasing bill?

Jeremy Douse: The bill was heard in both Resource Committees, and I would expect that something happens this session. One of the challenges has been exemptions from FRPA. Some committee chairs were not comfortable with those exemptions, but I think there may be room to negotiate if the proposal is brought into closer compliance with FRPA.

Eric Nichols: We're finding the same issue on our end. Without a reliable supply, it's very difficult to make capital investments. Equipment, labor, and operating costs have increased significantly, and without some form of lease or long-term sale, it's increasingly

difficult to plan. Political cycles add uncertainty, and it makes it hard to plan workable operations over time.

Jeremy Douse: I think the reason it didn't move beyond the introductory phase in the Resource Committees was largely due to concerns with FRPA exemptions. If the state is willing to move back toward FRPA compliance, I think it would help.

Eric Nichols: Regardless of how things are structured, there needs to be better long-term security if the industry is going to grow, whether in the Interior or elsewhere.

Jeremy Douse: I also want to note that regulations implementing House Bill 104, which repealed AS 38.05.123 sales and amended AS 38.05.118 sales, remain pending within the department. That information has been submitted but is still backed up.

Ben Mulligan (ADF&G / Deputy Commissioner)

- ADF&G's budget remained largely flat following the last legislative session, with the exception of additional federal receipt authority related to a non-forestry transboundary rivers project, which was approved.
- Salary increases were included, and the department continues to operate with approximately the same level of funding as the prior year.
- No legislation was identified that directly impacts ADF&G's Title 16 authorities.
- The department was not affected by the hiring freeze due to the timing of recruitment; some staffing transitions are occurring in the Douglas office, with positions expected to be filled following the field season.
- Two recent administrative orders related to regulatory reform and modernization have been issued; implementation is in the early stages.

Eric Nichols: I saw an article about work on Admiralty Island where the Forest Service is removing culverts and dismantling about 22 miles of logging road. Is that an acceptable way to close out a road, or is that legal under FRPA?

Ben Mulligan: Until I have more specifics, I don't have an answer. I'm aware of the project, but I would need to check with the area biologist to understand how it's being done and what ADF&G has weighed in on in terms of comments or permitting.

Eric Nichols: We're always looking for ways to save money.

Brock Tabor (DEC / Special Projects + Representative to the Board)

- DEC reported a largely status quo funding situation, with the position and forestry coordination work continuing to be supported through an EPA grant.
- Uncertainty remains regarding the future of federal grant funding, though DEC reaffirmed its commitments under the Forest Practices Act.

- DEC is tracking multiple legislative and regulatory developments related to the Clean Water Act.
- In particular, DEC is monitoring the anticipated release of a revised Waters of the United States rule being developed by EPA and the U.S. Army Corps of Engineers and evaluating potential impacts to DEC programs and permitting activities.

Eric Nichols: Has there been any rulemaking in response to recent Supreme Court decisions related to wetlands?

Brock Tabor: Those issues are being addressed through the Waters of the United States rule. There are still many moving pieces at both the national and regional levels regarding interpretation and how that may affect permitting practices and DEC authority.

Keith Coulter: You mentioned federal funding being frozen. Is that directly affecting DEC, or programs DEC oversees? I'm curious how it is impacting the department.

Brock Tabor: Impacts depend on the specific grant and program area. Some grants affect monitoring and assessment work, while others affect permitting activities. At this time, many impacts remain to be determined, as federal funding levels for the next fiscal year are still uncertain and DEC is awaiting receipt of some prior-year federal funds.

## **Forest Management**

### State Forest Management Plans: Trevor Dobell, DNR/DOF

- These plans guide sustainable forest use and help foresters make decisions now and into the future. They are not prescriptions or decision documents, but are developed through extensive public and interagency review.
- Our most recently completed plan is the Tanana Valley State Forest Management Plan, which we have been working on since 2022 and adopted in May 2025. It involved two 90-day public review periods and extensive response to public comments. We hope it will guide long-term management of the state forest.
- We are now working to replace the 1991 Susitna Forestry Guidelines with a Susitna Valley Forest Management Plan. Public scoping began last December in Palmer. Due to staffing capacity, fire season, and field season, public engagement slowed temporarily, but we continued draft development and are now resuming public-facing outreach. We are committed to holding public meetings in Talkeetna and have a website with interactive maps and surveys to gather public input across the approximately 700,000-acre planning area.
- The existing Susitna guidelines are more than 30 years old, and the goal is to ensure we can manage for firewood, timber sales, community use, recreation, and regeneration. Planning team partners are contributing content related to fish and

wildlife habitat and recreation, including input from the dog-mushing community. A major focus is reviewing existing land-use authorizations to ensure they are accommodated in future planning.

- In Haines, revisions to the State Forest Resource Management Area plan began in 2023. After public scoping and continued draft development, we are re-engaging the public with upcoming in-person and virtual meetings in Haines and Klukwan.
- Looking ahead, the Southeast State Forest Management Plan, adopted in 2016, may be reopened for revision to add carbon offset language and evaluate whether other management priorities need to be updated.

Eric Nichols: These plans are a slice in time. We have beetle impacts, reforestation needs, and changing conditions. When plans haven't been revisited since 1991, that's a problem. How do we grow the forest industry when plans are time-consuming to change and seem fixed to a point in time?

Trevor Dobell-Carlsson: The plans are written to allow future decision documents to adapt. They do not include prescriptions. They provide a toolkit that foresters can use when writing site-specific decision documents, so they can respond to changing conditions over time.

Eric Nichols: Even if they're not prescriptive, land is still designated for certain uses. You may not say where clearcutting occurs, but you do limit what operations can take place and where. That limits the amount of industry that can exist.

Jeremy Douse: What you're describing is addressed in area plans. The forest management plans Trevor is discussing apply only to forest-classified lands.

Trevor Dobell-Carlsson: The Susitna Valley Forest Management Plan applies only to forest-classified land as primary use.

Eric Nichols: So how do we get these million acres to be forest-

Jeremy Douse: Words matter here. Trevor said 700,000 acres. I want to make sure everybody understands what the situation is. We're talking about roughly 700,000 acres with a spruce component in mixed stands, largely hardwood. This is not 700,000 acres of continuous spruce beetle kill. Much of the birch is defective. There is a need for a restoration effort- to transition these stands to spruce, manage for age-class diversity, and reduce vulnerability to future beetle outbreaks. Those are the things we need to do in the Susitna.

Eric Nichols: My concern is that the 700,000 acres is basically not productive. How do we turn that into a productive forest? I don't expect an answer, but it's something the Board has been looking at for a number of years.

Jeremy Douse: We have the ability with 118 sales to do 25-year contracts, but it's hard to find someone that wants that stuff.

Steve Connelly: There has been interest in using that material for sustainable aviation fuel.

Jeremy Douse: There are still challenges with harvesting biomass.

Jeff Hermanns: The scale is a challenge. That's something nobody is prepared for. You're talking clear cutting, what, 5,000 acres per year?

Eric Nichols: I'm not worried about the snapshot in time, because my fear is that we don't look at the future enough. What do we want this to look like in 25 or 50 years? Something should have been done in the 60s that never got done. How do we take low volume, very decadent stands, and turn it into an asset for the State of Alaska?

Trevor Dobell-Carlsson: It's a challenge. With the guidelines, we want to help make the most modern framework we can, not just for sales, but regeneration and other things that take place on forest classified lands.

Eric Nichols: Moving beyond small timber sales there, it is going to take a herculean effort. A biofuel facility or OSB plant could be a game changer. But you have to get the infrastructure in place first.

Keith Coulter: In terms of a primary research document you use as a stepping stone to write from, I can't give enough praise to the State and Trevor for putting these together. They're a grind. They put everything out there and everyone can take a shot at it. They're difficult to write. I understand Eric's comments, I'm not knocking that, but to get those things produced- the size, the requirements, and all the public comments, I can see why it takes three years. I've used them quite a bit to bolster a paper. There's a lot of literature cited. Everything is very straightforward. In terms of the effort put in and the uniqueness of each area they encompass, it's well done. I think there's going to be people taking shots at you, but I think it's a good effort. I think it's pretty rock solid to use as a platform to launch. So, keep up the good work, I'd say.

Jeff Hermanns: What kind of reception are you getting in Haines?

Trevor Dobell-Carlsson: Industry wants to see more logging, and on the other side, the environmental groups are providing a lot of comments. There are varying levels of support. People who come to public meetings are usually more in line with environmental groups.

Keith Coulter: Are you getting comments from environmental groups outside the area? Are they farming people from Florida?

Trevor Dobell-Carlsson: Not as far as we have seen.

## Mental Health Trust - Jeff Hermanns

- We're winding down the Trust's harvest program; the Trust has harvested old-growth timber for the last 30 years and we're nearing the end of that liquidation.
- The Naukati Timber Sale (approximately 100 MMBF) is nearing completion; we keep finding remaining patches and expect the sale to wrap up in the next few months.
- For Naukati, we plan on keeping the majority of the roads open. I'm going to provide the Division of Forestry with a plan identifying what roads we'll keep open and what roads we'll close. The Trust sees an immense amount of value in roads from timber sales, and Ketchikan Borough, Wrangell Borough, all the communities in Prince of Wales, have asked that roads not be closed.
- Th Shelter Cove sale with Alcan continues. Market conditions remain difficult, including the loss of the China market for low-grade logs. It's been a real challenge. Luckily there's a tremendous demand for cedar. The sale is about half way done and may take three to six more years, depending on how fast we go after it.
- There may be opportunities to include additional state timber from surrounding DOF lands to better utilize all those roads that we constructed out there.
- We're planning a major bridge project and are working with Cape Fox; we completed a reciprocal easement on the Cove Road to maintain shared access to Forest Service land.
- We completed a big brushing and road maintenance project at Leask Lake that we harvested 15-20 years ago and are brushing the LTF to use in the Shelter Cove sale. We completed an RSA with DOT on Shelter Cove Road, \$7.2 million. The Trust managed the project using DOT funds and did a design build with Alcan, engineering; Jeff noted this model may be worth consideration in other regions due to cost control challenges under standard procurement.
- Shelter Cove Road is now open to the public and has seen significant public use. People in Ketchikan are so excited to have somewhere to drive.
- The Trust is working with villages on Prince of Wales regarding salvage harvest opportunities.
- Viking Timber: The Trust plans a negotiated helicopter sale (~0.5 MMBF) at Exchange Cove due to limited access/road feasibility; Columbia helicopters will remove high value material (music wood, cedar) with the possibility of a second phase later.
- The Trust has a small ongoing sale in Gustavus supporting local lumber needs.
- The Trust participated in a recent salvage sale in Fairbanks and appreciated DOF's coordination on identifying blowdown patches.
- The Trust has signed MOUs with the City and Borough of Wrangell and the City and Borough of Ketchikan to support timber development and harvesting; both

municipalities have significant entitlement acreage and are seeking assistance in getting started.

- Wrangell: The Trust is also working with Wrangell to help them get their timber and revitalize the old Alaska Pulp Mill site. Jeff noted manufacturing feasibility is tied to power costs and mentioned discussions related to interest in a potential veneer plant. The Trust may also pursue sales for remaining timber and explore land trades.
- Seward: The Trust is working on access to Trust land on a ridge near Seward and described coordination with Kenai Borough and operator Josh Leatherman to reopen an existing logging road, conduct timber sales, and supply material to markets (including log home construction).

Jeremy Douse: There's municipal entitlement around Seward. There are operators who need wood in Southcentral, and there has been some success with municipal entitlement land. It would be interesting for the Trust and the State to approach the Borough about accessible, drive-in sites, because I think there's interest in timber there.

Jeff Hermanns: Yeah, we need to sit down and work on that. Our number one challenge there is roads. We're going to utilize an existing logging road built by Chugach in 1990, but we need more access on the back side. If we had to cross state land and build a bridge-something like a 70-foot bridge, under forestry we might do it for roughly \$500,000 to \$600,000, but through DOT it could be closer to \$2 million. Maybe we could look at funding or an RSA-style approach tied to a forestry project.

Eric Nichols: On the Ketchikan DOT road, the final numbers came in about 30% under the bid. We still followed DOT bridge standards and paid Davis-Bacon wages, but cost-effective design made a big difference. That road system would not exist without the Trust's earlier land ownership and road system- we used about four miles of existing road for that DOT highway. Ketchikan went from very limited road access to a major road network, and it opened up a lot, while also creating new public safety challenges with increased traffic and limited cell coverage. If you don't have infrastructure to start with, it's hard to start at ground zero.

John Rusyniak: Jeff, I appreciate how you pull different agencies and groups together around common interests, and how much you can do with limited resources. I've seen it happen in Tok, and I appreciate that.

Brian Kovol: I just have a general question since we're talking about access routes. I know West Susitna access road is in permitting stages now. Do you see that providing access to Mental Health Trust lands? And also to state forests?

Jeff Hermanns: We don't have much on the other side of the railroad, but we do have substantial land in the valley. Any time we hear about a new road, we get excited. We have land across Alaska, and land without access is essentially wilderness. We're charged with raising revenue to fund Trust programs, and that's difficult without roads. Once you have a timber-sale mechanism to get a road in, the question is whether you close it out or invest to keep it functional. Roads are a huge issue, especially thinking ahead to future rotations.

Jeremy Douse: From our perspective, there's no way that we could carry that kind of road cost with the stands we have in the Susitna. If that road is built, it could create opportunities to bring additional stands into management, but we still face the issue of who the purchaser is for this material. We have to rotate these stands out there. If the opportunity exists and we have a purchaser, there's interest in absolutely bringing more stands into management.

Eric Nichols: It's the chicken-and-egg problem. Without a road, nobody is interested; if there is a road, people are interested. What comes first? You need enough interest to build a road at a reasonable number. We've seen it with a small tract we bought from the University of Alaska and developed. Once access and visibility existed, the value and interest changed dramatically.

Nathan Lojewski: Jeff, roads are not cheap to keep open. The Trust's mission is to raise revenue. Does it pay to keep roads open?

Jeff Hermanns: A good example is Leask Lake. A timber sale developed a significant road system (26 miles). Now we have this accessible area near saltwater and close to Ketchikan, and we're looking at non-timber opportunities like tourism- potentially bringing visitors up to the lake for a true Alaska experience using the road network. Brushing alone can be around \$20,000 per mile in Southeast, but we're hoping to create a long-term opportunity that helps carry the road system over the next rotation.

Eric Nichols: On that property- 4,000 acres with lakes and ocean access, my contract originally required closing roads. I went to the Trust multiple times and said don't make me close them. Then DOT decided to build a state highway to it, and suddenly this area became part of a broader tourism and access strategy. That's why these old logging roads matter.

Jeff Hermanns: We've already seen commercial tourism on logging roads. Operators are bringing people out on side-by-sides and similar activities, and participation has increased significantly. That's another example of roads being used beyond timber for tourism.

Nathan Lojewski: So what I'm hearing is forestry alone may not support road maintenance costs, but other revenue sources might.

Eric Nichols: Ultimately, I think it's up to the landowner to figure out how to generate income during the next rotation.

Jeff Hermanns: It's not easy. The easy button is closing roads. The hard work is maintaining them- replacing bridges, brushing, ditching. The Trust's mission is to raise revenue for programs that support people. It's hard to do, especially after you log it. What do you do with that 6,000-acre clear cut? There may be other opportunities with tourism, leases, and other uses- especially given roaded landscapes and the scale of recreation demand.

John Rusyniak: Can you give examples of how road maintenance would be funded? Are cruise operators paying a percentage or fee?

Jeff Hermanns: We're hoping for a long-term lease type arrangement where an operator maintains roads and infrastructure. Right now, it's coming out of Trust funds.

John Rusyniak: So the intent would be to turn maintenance over to an operator?

Jeff Hermanns: That's right. Some kind of a deal like that.

John Rusyniak: Are there any examples of that happening right now?

Jeff Hermanns: Hoonah is one example of large-scale cruise investment. When the cruise industry invests, they come in with tens of millions. There are examples in Seward, Wharf Cove. They are looking for Alaskan experiences.

Eric Nichols: You're starting to see per-passenger fee models for exclusive or managed use of roads. For example, tour operations on former logging roads at Mahoney Lake. You're starting to see people generate income.

John Rusyniak: So the landowner is doing the maintenance?

Eric Nichols: Sometimes the landowner maintains main access and the operator maintains specific tour segments, with fees paid to the landowner.

Brian Kovol: On West Susitna access, I want to say positive things about Commissioner Anderson at DOT. They partnered with Knik Tribe to leverage tribal transportation funds for bridges and road development. If successful, it could be a useful template for leveraging federal tribal resources for road building.

Jeff Hermanns: Well, one of the big challenges with roads bridges. Log stringer bridges have limited life spans. That's been an excuse in the past- that we have to pull this bridge out. With the DOT bridges, we pulled out a 100-foot bridge the engineer said was still good

enough to make two bridges out of. We've salvaged and repurposed bridge materials successfully. I would like to see the State of Alaska look at a broader bridge program, including potential use of laminated wood bridges, especially where low-value wood could be used in manufacturing.

Good Neighbor Authority Sales: Mike Cooney, DNR/DFFP

- I've been helping develop the division's Good Neighbor Authority program since June
- Current focus is identifying GNA project opportunities, particularly in Southeast.
- Over the past month, I've been working with the Forest Service on a new master GNA agreement: an unfunded 10-year agreement, with tiered special project agreements for site-specific projects that may include funding.
- We are developing a project in Thomas Bay with the Petersburg Ranger District that would combine federal and state young-growth timber. We hope to have the supplemental agreement, paired with the master agreement, signed by late September.
- Federal volume is approximately 12 million board feet of young growth, with additional state volume still being refined (likely at least 3.5–4 million board feet of young growth).
- Later this summer, Greg Staunton and I will assess feasibility of a log transfer facility on the east side of Thomas Bay. The area is isolated from the road system by the Patterson River. We know the young-growth area on the existing road system west of the Patterson will be included; we are still evaluating state offerings and potential old-growth east of the river.

Eric Nichols: I read the after-action review on Kosciusko, and I can't say I disagree with it more. The sale layout was workable, and purchaser layout made it cost-effective. The Forest Service commented purchaser layout should not be used in a GNA sale, but I don't understand why GNA is different from any other sale. I think that's where you do use it, when you do have some flexibility under a state contract, where you have no flexibility under a Forest Service Contract. On Thomas Bay and similar areas, you can't afford to barge the wood out. If the Forest Service requires barging off any LTF with federal wood, it's going to drive costs up and turn sales into deficit sales. I encourage you to continue GNA, it does a lot of good things for the industry. Being able to do it under a state contract versus federal contract. You can't load these sales up with federal requirements that make them not pencil out. Thomas Bay is a perfect example.

Mike Cooney: I appreciate that. That sale was developed during the SASFM era, that prioritized young growth harvest and severely limited old growth harvest. I think the Forest Service is shifting toward implementing the current forest plan and more active management. On the Kosciusko after-action review, there were two recommendations. The

purchaser layout recommendation was that it should be limited to areas without complex silvicultural prescriptions. Thomas Bay is not one of those places.

Eric Nichols: Where do you have a need for purchaser layout other than in a complex situation? We had two acre [inaudible]. How do we make this economically feasible? The more complex, the more you need industry helping reduce harvest cost through complex silviculture. People write these prescriptions with no idea on how you're going to get it done in a cost-effective manner.

Jeremy Douse: I think the Forest Service may be loosening some of the “designation by restriction/condition” approach and involving industry more in what harvest looks like. The problem I see with Thomas Bay is that you lost the market for where that material could potentially go, but we are far down the road in planning the sale. To get volume on the shelf-

Eric Nichols: But you're not going to get it off the shelf if nobody will buy it. Why put time and money into something that isn't sellable? Going back to the TAC recommendation- under the 2016 plan, the TAC said you needed 100-acre scale for cost-effectiveness, and instead we end up with two-acre and 20-acres. We're trying to get to something between year 7 or 8, where we've tapped old growth out, not going back to 2016. They want to start year eight. The transition only works if you start at year one. The question for Thomas Bay is: are you at year one or year fifteen? If industry isn't involved in design up front, we can't buy these sales. It won't pencil out.

Mike Cooney: Looking at Kosciusko, Vallenar, and Thomas Bay- Thomas Bay and Kosciusko were designed mostly by the Forest Service. Going forward, my goal is to work more closely with the Forest Service during project development so sales are as economic and simple to operate as possible.

Eric Nichols: That's what everyone wants, but we keep finding out late. Like with the barging requirement. So we're going to barge wood because of whales. I've only been in Southeast for 35 years, and I don't understand it at all. When we tow, we're doing about a knot and a half, when we barge, we're moving about 3-5 knots. What do the whales have to do with any of this? The decisions have already been made. Why doesn't the industry get a chance to say? This is the problem- government defines the plan and the fix without asking industry whether it will work. I've been to multiple Forest Service meetings saying Thomas Bay will not work and not to put time into it until we see what happens at the federal level.

Jeremy Douse: We were directed in the day-one meeting to continue with Thomas Bay, to get volume on the shelf. That sale started before, in the last administration.

Eric Nichol: It won't work. What we need is something that does work. I took a proposal to the acting Regional on September 15- on Prince of Wales for 70-acre CEs that keep ROI.

That should be your primary example. The Forest Service told me they were directed out of D.C. that they have to put up at least 6 million PST. But the volume doesn't matter if it's not volume you can buy! The Chief agreed. They also said they won't put up the 46 million without more NEPA-approved volume.

Jeremy Douse: I agree that we need to look at other areas. With Thomas Bay, we're already down this road and this shift halfway through- Even if it doesn't sell now, it could be available for someone when that market changes.

Eric Nichols: I've been here a long time. When sales don't sell, the Forest Service says, "industry is here no more; they don't want any timber." It becomes a political weapon because they say we wasted all this money.

Jeremy Douse: GNA work is not limited to Thomas Bay; we'll look at other areas.

Eric Nichols: Utilization is the key issue for GNA and the young growth. State contract terms are a huge difference, that's why we want Vallenar and Kosciusko.

Nathan Lojewski: What is different in Forest Service contracts than state contracts?

Eric Nichols: State contracts are about 20 pages while Forest Service contracts are closer to 137 pages. On previous contracts, the State had a three-saw minimum. The Forest Service required 6-inch tops and 16-foot planks. And we begged them to remove that.

Nathan Lojewski: So state requires you take small material, but you have a market for it?

Eric Nichols: There's a pole market, but they won't appraise it as pole. They appraise it as sawlog, which drives the appraisal and puts a big negative in there.

Mike Cooney: With a state contract, it typically calls no. 4 saw logs.

Nathan Lojewski: So the Forest Service is valuing it much higher than the state?

Eric Nichols: Yes. It's another example of designing things without any input from industry and then dealing with the blow-up after.

Mike Cooney: What do you think about continuing the [inaudible] concepts as a way to involve industry in the GNA timber sale plan?

Eric Nichols: I'm hoping we can move beyond that and deal with the current reality. If we go back to year one in the 2016 plan, they're going to have a hard time finding old growth. With Roadless and all the other layers- scenic, cars, other restrictions, they won't be able to produce 40-50 million feet per year. People need to see the cumulative layers that prevent meeting those targets. We just can't get them to reduce what they've already done.

Mike Cooney: The issue may ultimately be addressed through future forest plan revisions, if those are taken up again.

Eric Nichols: I ask, I beg you not to do it. Here's the problem. We have no idea what a new forest plan will produce, and it won't be finished in this administration. I'd rather live with the 15-year transition we have now, because I can make decisions with it. With a new forest plan, we have no control over what happens, and politics plays a big role. Let's get through 8–10 years with what we know, then revisit the forest plan.

Mike Cooney: I agree that industry inputs on future GNA sales is a good idea.

Eric Nichols: It's the only way we can make a timber sale here. I don't think the Forest Service can put up a low-cost timber sale, anything on POW, without it being GNA. Some of these numbers are minus \$450 a thousand, and that was before the China market impacts. You can't reasonably advertise a deficit sale.

Mike Cooney: One item we're working on is appraising GNA timber sales using state appraisal rules rather than Forest Service rules.

Eric Nichols: If you have to barge it off, add \$60 per thousand right there.

Jeff Hermanns: Do you see them letting you make changes to what they've done on Thomas Bay, Mike?

Mike Cooney: I don't see that right now.

Jeff Hermanns: When I worked on GNA, we identified necessary changes. The Forest Service went through NEPA and said we can only change about half. They changed part of it, and it made a big difference. Is there room to go back? I'm concerned the state could be handed a "poison pill" - a GNA sale that is fundamentally a deficit.

Mike Cooney: There may be room for minor field-layout adjustments depending on how the environmental document was written, but I don't know how many other issues would be approved for change.

Eric Nichols: That sale started as moose habitat- cutting wood and leaving it. I said put in a timber sale. But then you get corridors and other design elements that drive costs up. With Kosciusko, those prescriptions made it difficult to get costs down.

Mike Cooney: It's not as complex as Kosciusko. Small opening clear-cut harvest in most of it. So it's not as difficult, but I think the EA still recognizes that the timber harvest portion on that project was in support of habitat.

Eric Nichols: We put in a two-acre opening at Kosciusko and got brush you can hardly walk through. That outcome doesn't match what I hear in these habitat discussions.

Nathan Lojewski: On GNA sales, can the state write silvicultural prescriptions, or do they come from Forest Service silviculturists? Forest Service policy requires a certified silviculturist to sign off on vegetation management on federal land. Does that shift under state rules? Jeremy and I have both been through the Forest Service silvicultural training for these simple prescriptions to these crazy, complex things that you have a hard time wrapping your head around. How is the contractor going to know how to do this?

Mike Cooney: On their ownership, we have to comply with the prescription of the containing forest plan.

Nathan Lojewski: So they're pre-written?

Mike Cooney: They're probably categorized as [inaudible]. In the development of the project, we can try to recommend economically viable prescriptions in multiple different sizes. That would be one approach.

Jeremy Douse: Because it's federal land, the Forest Service will have final say on the documents, but if you're writing the plan and identify-

Nathan Lojewski: But two acres is not a complex prescription.

Eric Nichols: They like two acres because it's not considered a clear cut by Forest Service's definition. They scatter small openings, and we never understood the rhyme or reason for why one is 20 acres, one is 60, one is two. I think it's a dream come true. I mean, you just draw a circle where you want it and make sure it doesn't look like too big of an opening.

Mike Cooney: There is opportunity moving forward to have projects designed more intentionally so sales make more sense. Good restoration and prescriptions that are [inaudible]. For now, we've dealt with projects that were already designed and NEPA-cleared, so we're somewhat stuck. Going forward, the process may improve.

Jeff Hermanns: They do sales all over the lower 48 that are appraised negative, and the logger literally bids what they're going to get paid by the Forest Service to go log this.

Jeremy Douse: Are these stewardship sales?

Jeff Hermanns: Yeah. You know, when I hear people say, "they can't do these negative sales," they can. And they're doing them everywhere. So, if this truly is a habitat sale, the Forest Service can dig a couple million dollars out. I'm the State is going to put up to carry this this big loser but make the Forest Service dig a couple million dollars out if they're

going to stick to this craziness and put up the stewardship contracts. Because you can do a stewardship contract under GNA.

Jeremy Douse: Well, anything else on GNA sales? [Laughter]

Eric Nichols: Keep up the good work, Mike.

#### Kenai Peninsula Forest Inventory: Brian Kleinhenz, Terra Verde

- In 2002, Terra Verde was awarded a master services agreement with DOF, and we remain a professional services provider through the end of 2025.
- We were asked to characterize timber resources on state-managed lands on the Kenai Peninsula and identify what could be available for harvest legally (not necessarily economically), and to canvass existing industry to understand appetite, challenges, and needs.
- The timeline was a mad dash, and we had limited baseline information beyond the mapped area of interest provided by the State.
- The area of interest included state-managed lands across all land categories on the peninsula. In total, we mapped nearly one million acres.
- We developed a stratified inventory: timber typing, mapping non-forest areas, higher- and lower-volume stands, conifer versus hardwood, and then installed field plots beginning in May. We ran three field crews (Seward side, Kenai area, and Homer area).
- A key early challenge was mapping complexity. We reviewed 18 map layers and worked through 46 land categories to identify net acres designated as Forestry and certain “Other” lands potentially open to forest management, and net out areas with other designations.
- This work addressed State of Alaska managed lands only; Mental Health Trust and University lands were evaluated as part of mapping but excluded from reporting of available timber acres.
- Roughly half the mapped area is non-forested (e.g., mountaintops, brush, bogs). Another substantial portion is legislatively designated (parks, recreation areas, trails), reflecting the Kenai’s heavy recreation use and existing land designations.
- Land status is complicated by municipal entitlements, disposals, and conveyances. Terra Verde is not a title-search company; this is not a final determination of what the State owns, but it improves the forestry-scale understanding of opportunities.
- We divided the peninsula into east, west, east-remote, and west-remote zones. There is considerable timber, but much of it is remote across saltwater; the most accessible areas are those adjacent to existing road and highway systems.

- We produced a timber type map (polygons labeled by species, size, and stand characteristics) across the full ownership and grouped types into seven operational strata (e.g., conifer/spruce sawlog, pole, seedling/sapling, mountain hemlock at higher elevation, hardwood).
- We interviewed local operators. The current industry is small—about 250,000 board feet/year annual cut. Many operators describe themselves as land-clearing companies, but they have the equipment and interest to do forestry work; if more resource were available, there appears to be capacity to increase activity.
- We compiled stumpage and operating cost information from interviews where available and built a stumpage calculator tool for the State.
- We summarized growth rates and observed extensive beetle-related dead wood. Surviving trees are showing “release” growth—roughly 2% higher than expected in some areas—which suggests restoration opportunity, even though surviving composition is often more hardwood-heavy than desired.
- Using this information (east and west, excluding remote areas), we estimated annual allowable cuts of roughly 1.4 million board feet/year on the west (dry) side—substantially higher than previous calculations and well above current harvest levels.
- Next steps include developing a five-year harvest plan and laying out units using the timber type map, while recognizing operational constraints (e.g., the Iditarod Trail, the Alaska Railroad, and other bisecting features), and focusing first on higher-volume, accessible opportunities.

Eric Nichols: There have been a number of operations on the Kenai. Did you look at what products had been produced before? There were huge issues with timber bind that stopped some operations.

Jeff Hermanns: Did you take a look at the areas logged during the chip operation? There’s been a huge reforestation problem down there, at least in my mind. How does that factor into your thinking?

Brian Kleinhenz: This is just a statement of what’s there now and how it’s growing. You’re right, many stands are understocked, with a lot of dead wood on the ground and standing snags. The area is ripe for restoration. The trees growing fastest aren’t always the trees we want. The best trees were hit hard by beetles and what’s left is the hardwood component.

Eric Nichols: When you say 4% or 5% growth, what does that mean? Per acre? Cubic feet? Tonnage? It’s not MBF.

Brian Kleinhenz: It's volume growth- change in total stand volume. We expressed it in multiple units (board feet/cubic feet). We built diameter-height regressions to estimate heights over time and looked at changes in trees over roughly the last ten years.

Eric Nichols: Compared to white spruce in Fairbanks, how does this compare?

Brian Kleinhenz: It's better- the trees that survived are releasing. You can see they have space around them.

Nathan Lojewski: They were pole trees and now they're growing up into saw timber.

Brian Kleinhenz: And a lot of dead wood is stacked up around them that's keeping everything else growing up.

Eric Nichols: Is "Lutz" an official species, or shorthand for the in-between white and Sitka?

Brian Kleinhenz: Yeah. It's Alaska shorthand for the hybrid of Sitka and white spruce.

Jeff Hermanns: Roughly, it looks like about 2,000 board feet per acre- about half a log truck load per acre. When volume is that low, you have to cover a lot of acres.

Brian Kleinhenz: That's true, but it's not fair to treat everything as the average. We're talking about this small industry, and what is the opportunity to make it a little bit bigger? We're not going to concentrate on places running 2,000-4,000 per acre. We're talking about places that are running 20,000 to 30,000 an acre. That's where we're going to be putting the effort in. That was the whole point of this entire project. Stop thinking about things in a broad sense- let's get specific, lay units out, and feed the existing small industry with accessible, easier opportunities first. There's a lot of areas, like road right of ways through neighborhoods, other lands available for disposal, a lot of these smaller operators clear one tenth of a mile of ROW? That's they're year. They'd love to do that, right off the end of an existing road. That's the characterization. We didn't talk to anybody that's capable of putting in a big operation and can run 10 million board feet a year.

Eric Nichols: You said 250,000 a year is the annual cut. Do you see demand above that?

Brian Kleinhenz: We didn't do any futuring other than talking to the existing industry and seeing what the appetite would be.

Jeremy Douse: There's a significant lack of resource in all of Southcentral. If we can feed some of that need with Kenai resource, there's potential for more than current levels. To Jeff's earlier point, there is a regeneration problem. My impression though in walking some of the stands? In areas where we harvested and planted, those stands look good, particularly on the west side. Nothing is ready to harvest again, but it's a future opportunity in areas that we're actually doing management.

Eric Nichols: How did these stands start, like the Ninilchik area? That was well stocked. Was it fire-generated?

Nathan Lojewski: On the west side, you get beetles and fire in the mix. There was a major beetle outbreak in the 1800s documented by researchers. On the east side it's mostly a rain forest. You don't have fire in that. It's mostly just beetles and wind.

Brian Kleinhenz: We installed a regeneration plot at every sample point. There are a lot of small trees, and it hasn't been that long since the beetles. That's the future forest. It looks like the forest is starting to rebound; beetles are moving upslope and north, but the state lands we looked at have largely already been through the impact and are coming out the other side.

John Rusyniak: When you compare growth to Fairbanks, do you account for differences in growing season and precipitation?

Brian Kleinhenz: We let the tree tell us the story. Measuring growth integrates those environmental factors. Rather than modeling drivers, we measure what the tree actually did.

Keith Coulter: Why didn't you prioritize harvestable units close to roads that support industry, instead of casting a broad net over a lot of land that seems like it wouldn't be merchantable or cost effective?

Jeremy Douse: Well, we needed a baseline inventory to understand stand conditions, especially if we pursue a state forest or other management direction. The question was: where are harvestable stands, and where can we lay out units that are economic for someone to harvest? Because in forest classified areas, that wasn't straightforward. Let's inventory everything. Now we understand what the current condition of the stands are. We have the strata. And then the other part was where are the stands that are currently ready to harvest, and start putting those in a schedule.

Jeff Hermanns: Well, isn't a big question down there the biofuel issue? Can we support a big biofuels plant?

Jeremy Douse: Yeah. Having this inventory data helps answer that.

Nathan Lojewski: I think this works great. The 2012 inventory- was that just forest classified?

Jeremy Douse: Yes, just forest classified.

Keith Coulter: And this is just state land? No native corporations?

Jeremy Douse: Correct.

Jeff Hermanns: Did you come across stands harvested for the railroad back in the day around Seward?

Brian Kleinhenz: Well we came across a lot of big stuff on the Seward side, yeah.

Jeff Hermanns: There's a stand I can tell was clear cut, back in the days harvesting for the railroad, and it was actually a second growth stand. It's beautiful. If you didn't really look close, you'd think it was an old growth stand.

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

- Southeast timber sales: We are doing what we can to make sales economical. We have nine active sales in Southeast. We are using purchaser layout where possible and trying to bring industry conversations earlier in the process. We are also short staffed in Southeast.
- Kenai/Kodiak: Brian has put a lot of work into evaluating what we have for land and the feasibility of a Kenai state forest. People have been saying that the forest down there is pretty tough.
- Mat-Su: We are doing what we can with timber sales. Demand is high, but operators say there is not a lot of available timber. Biomass could be a future opportunity, creating a market beyond firewood. The West Susitna access project could be significant for any biofuels concept, given the logistics and supply. They're looking at where you would even put a multi-million-dollar plant and what the supply would be. It's another potential market, and biomass will take dead, dying, everything.
- Fire: Mat-Su was involved in completing the big fuel break on the Anchorage hillside. It was very visible to Anchorage residents and got a lot of attention.

Eric Nichols: You're talking about getting out in front of this. If the state is going to change the timber sale contract or anything involving industry, please vet it through industry first-AFA or whoever. We keep seeing changes at the last minute in the contract when it can't be changed. We don't get a chance to look at it ahead of time to see if it works or not, or if it really does change anything. If it's just your way of doing things for the last 25 years, then we didn't really change anything or necessarily make it better.

Steve Connelly: Communication is very important. But you realize there's the statutes and regulations, which can't be changed just like that.

Eric Nichols: That's why we've got to vet from the ground. Give us a chance to review changes, especially contractual obligations, before they show up in the final contract.

Steve Connelly: Right, right. Early communications and we can see what's going to be a possibility and what are restrictions, based on what we can do. Because we'll waste time if it's something that's not-

Eric Nichols: Well, then it can also turn into a political problem. Nobody needs that.

Jeremy Douse: Do we have an operator now working out at Willer Kash Road?

Stephen Nickel: He purchased timber sale and is on a tactical pause. I'm going to talk with him about why. He's a new operator on the ground, he picked up our Alyeska timber sale last fall and an over-the-counter sale down Willer Kash.

Eric Nichols: What's the status of Baby Brown?

Steve Connelly: Baby Brown, Haines. The contractor is interested in signing a contract, but nothing has really started moving.

Eric Nichols: I saw they were working on the permits to get in the water.

Steve Connelly: Yes, they've been working through LTF permits. There's also interest from another party with a market for low grade wood.

Nathan Lojewski: I had folks ask about Whale Pass. What is the status of that sale?

Steve Connelly: That sale sold.

Eric Nichols: I think it's pretty close to being done.

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

*Discussion occurred throughout the presentation; questions and responses are included below by topic.*

#### **Fire Season Overview and Nenana Ridge Impacts**

- Northern Region had a busy fire season with a lot happening in a short period. Fairbanks Area had the most activity, including three larger incidents managed by IMTs.

Eric Nichols: The Nenana Ridge Fire- was that mostly in regen? We've logged a lot of wood up there. That's on a nice, wooded path.

Kevin Meany: Yes. The fire was primarily fuel- and wind-driven in black spruce. It was the only one that burned significant state forest acreage. We can pull a map up.

Eric Nichols: I really believe that was some of the highest growth ground you have.

Jeremy Douse: Kevin will get into this, but the majority of the fire was burning up black spruce, which is how most of them-

Eric Nichols: I just if you lost some units.

Nathan Zalewski: The most active parts were the low-lying black spruce bog and drainage areas. It did impact some of the timber sales and forested land.

- A lot of our roads were impacted. We lost some timber sales, but not many; the bigger impact was access. Fire behavior was largely in black spruce valleys. As fire moved up toward timber on hillsides, it tended to peter out. We did lose decks already on the ground.

Jeremy Douse: Just to be clear about that, how many sales did we lose, or how many areas did we lose that were under a contract?

Kevin Meany: One major one, no equipment was lost. Operators coordinated with firefighters to move equipment as needed. The main loss was a logger's decks that the fire got into. The fire blew straight across Nenana Ridge Road, this road system. The primary growth happened quickly, in one afternoon. It was wind driven through black spruce and took off in that direction. We have been impacted by the access issues created.

Jeremy Douse: There's a perception that we lose commercial timber every year from fires.

Eric Nichols: Because we only ever see gross acreage, not what's actually burning.

Jeremy Douse: This becomes political, too. There's a narrative that one million dollars a year of timber is burning and we're only bringing in so much stumpage, but the two are like comparing apples and oranges. It's usually not commercial stands burning. Yes, it can happen, and it does happen. But it's black spruce, that's evolved with fire, where the majority of these fires burn, noncommercial.

Eric Nichols: I ask because I'm familiar with that area. I've bought timber sales up there and know what the regen units look like. I'm not so much worried about the timber, but what you lost when that fire went through those regeneration units we've invested in.

#### Division roles on fires and READ capacity

- Since the reorganization, Forestry's role is different. Foresters support fire response primarily through agency administration and suppression repair.
- Typical roles: the Regional Forester serves as the jurisdictional Agency Administrator; Area Foresters often serve as Agency Representatives; Resource

Foresters frequently serve as Resource Advisors (READs), supporting suppression repair planning and on-the-ground follow through with land managers.

- This year highlighted a shortage of state-qualified READs. DOF is exploring an in-house Resource Advisor training program to build capacity.

Nathan Lojewski: Will you open training to outside groups? I have staff who could train as READs.

Kevin Meany: This year we brought in six non-State READs from Alaska and Oregon, and we can continue to do that if needed. Ideally, State READs support State fires. We're working with fire training staff to develop credible curriculum. When we get to that stage, we'd likely prioritize state staff but invite others as well. The value is local knowledge, when we bring in people unfamiliar with Alaska conditions, it takes significant time to get them up to speed.

#### Suppression repair and access

- Bear Creek Fire: Ownership was mixed (State, private, BIA, ANSCA). A major concern was the highway. Dozer-line rehab was a major focus; rehab work is currently completed for now, coordinated with borough assessment.
- DFFP GIS developed a suppression repair dashboard to track progress. Some decisions require expert assessment (what access to retain or close; whether dozer lines are usable).
- Aggie Creek Fire: Mostly off the road system, limiting access for assessment and repair. Some boat-accessible dozer line was assessed and rehabbed, including work near the Chatanika River.
- Himalaya Road Fire: Work continues in the Haystack subdivision area; a DNR Resource Advisor and trainee are assigned and making progress.

#### Fairbanks and Delta timber program

- Three Best Interest Findings and three Forest Land Use Plans went out for public/agency review this year; each covers multiple sales (not individual sales).
- DFFP ordered 40,000 white spruce seedlings for replanting in burned areas from the 2023 Pogo Mine Road Fire.
- Regeneration surveys have historically been a backlog; staff roughly doubled regen plot output this year. In Fairbanks the timing window is short (post-snowmelt, pre-green-up).
- A fall auction is planned. Fire season shifted priorities toward salvage: approximately 30 salvage sales identified from 2023 impacts (about 440 acres), and an additional ~1,100 acres identified for salvage opportunity from 2025 impacts.

#### Tok and Copper River highlights

- Shared drone footage from one of Joe Young's sales to illustrate operations, landings, and work quality.

Jeremy Douse: Next year, are you looking at planting some of Joe's units?

Kevin Meany: We are. Historically regen in Tok has been in pretty good, but yes.

- Previewed planned winter operations for Joe Young along Tok River (east side).

John Rusyniak: Does that join the previous cut he had?

Kevin Meany: Yes. He plans to use the previous access again. Winter footage helps identify commercial timber more clearly.

- Additional Tok/Copper River updates: 344 acres of sawtimber layout/cruise for Joe Young; two small over-the-counter sales re-offered near McCarthy; and a sale off the Glenn Highway.
- Copper River Forester Dub Evans is UAS/drone certified, instructed the course this year, supported Resource Advisor work on fires, and is doing additional fuels planning.

#### Forest Inventory

- The statewide inventory forester position has been vacant. This is a major gap, as that role supports FIA and multiple other inventory functions the division relies on. Recruitment this year was cumbersome and did not result in a hire; DOF is reassessing.

Eric Nichols: Does she have a bug net on?

Kevin Meany: She does. Yeah.

Eric Nichols: You might want to change that out if you're trying to recruit for the position [laughter].

Kevin Meany: This person isn't necessarily the one out there with the bug net on. The point is the work is remote and challenging, and missing this leadership role is significant.

- FIA field season continued. Crews completed 110 FIA plots working out of Saint Mary's, Flat, and McGrath.
- 2025 is the final year of data collection on the 1/5 grid. In 2026 FIA shifts to a 1/12 grid, reducing plot density and helping return to a five-year remeasurement and more efficient statewide reporting.

#### Heavy equipment and roads

- Consists of a foreman, two operators and a mechanic. New equipment supported dozer lines during fire season and routine road maintenance.
- Major work included small bridge maintenance (approx. 30-foot bridges), resurfacing, brushing, grading, and right-of-way brushing using a masticating head. Kevin noted equipment capability is significantly improved compared to prior years.

### TVSF and community programs

- TVSF Citizens Advisory Committee filled two vacant seats (Lower Tanana and Environmental).
- TVSF Expansion: held in-person public meetings in Fairbanks, Nenana, Delta, and Tok and an online meeting regarding additions to the state forest.
- FY25 Community Wood Grant Program (USFS): DOF served as a national proposal reviewer/evaluator; some grants were awarded to Alaska projects.
- CWPP support: assisting with Central and Circle Hot Springs CWPP development, community meetings, and upcoming fuels projects.

### Peter Simpson Memorial Road access

- DFFP is making progress with the borough on access for Pete Simpson Memorial Road. Work has been ongoing since 2011; survey work is underway, and the intent is dedicated access to a roughly 35,000-acre block of state forest.

Eric Nichols: We're 15 years in and just getting the road surveyed?

Jeremy Douse: There's a lot of history behind this and some PTSD. It started as a dozer line during a fire and it crosses borough land. Coordination with the borough has been a key constraint.

### Anderson/Clear spruce opportunity and staffing

- DFFP is exploring potential large negotiated spruce projects near Anderson and Clear. There is strong interest; the commissioner participated in an aerial review. Cruising has occurred and work will continue.

John Rusyniak: Are you getting qualified people applying to your vacancies?

Kevin Meany: Yes. We had 10 or 11 applicants for the statewide inventory forester.

### **USDA Forest Service Update: Nicole Grewe & Dan O'Leary, USFS**

- Nicole Grewe, Deputy Regional Forester for the Alaska Region, is serving as Acting Regional Forester following the retirement of Chad VanOrmer in late June.
- Grewe provided background in social science, economics, planning, and work in Alaska at the intersection of land management, economic development, and rural community well-being.
- Grewe provided updates requested by the Board: executive orders and Good Neighbor Authority, plus an overview of workforce reshaping and Chief Tom Schultz's recent visit to Alaska.
- Workforce reshaping / optimization:
  - o The Forest Service is undergoing workforce reshaping, involving reductions and reassignment, with an intent to consolidate Washington Office and

- regional office functions and empower national forests (forest supervisors and district rangers).
- Grewe noted current uncertainty for regional office roles, including implications for Juneau, and that a public comment period is open and closes 8/26.
  - Chief Shultz visit
    - Chief Tom Schultz visited Alaska for six days focused on the Tongass, including employee engagement, site visits (old growth/young growth), meetings with timber/tourism/nonprofit groups, a tribal consultation, and meetings with the State of Alaska.
  - Executive order: wildfire
    - Grewe summarized the June 12 executive order focused on streamlining federal wildfire capabilities, strengthening wildfire mitigation, modernizing prevention/response (including data/satellite tools), and emphasizing partnerships with state/local/tribal entities; agencies have 90–120 days to implement.
    - Grewe noted it does not appear to direct a full merger of federal fire organizations, but may consolidate business operations, coordination, and research functions.
  - Executive order: Alaska resources (EO 14153)
    - Grewe summarized EO 14153 (“Unleashing Alaska’s Extraordinary Resource Potential,” signed January 20) as directing federal departments to remove barriers and reverse prior restrictions affecting Alaska resource development.
    - For the Forest Service, Grewe highlighted likely change regarding the 2001 Roadless Rule and Tongass applicability; she described recent reversals (2020 exemption; 2023 reinstatement) and current direction indicating additional change, including USDA direction toward repeal of the 2001 Roadless Rule.
  - Other federal process updates
    - Grewe noted NEPA changes emphasizing broader use of categorical exclusions, abbreviated analyses, and expedited review, as well as directives to increase timber harvest and ongoing Tongass plan revision work.
    - Grewe emphasized renewed partnership with the State through agreements including challenge cost share, shared stewardship, and Good Neighbor Authority, then transitioned to Dan O’Leary.

- Dan O’Leary (USFS) provided brief talking points on the Alaska Region active forest management strategy, submitted last week to the Washington Office as part of the National Active Forest Management Strategy.
- O’Leary summarized expected components: (1) a five-year program of work to increase active management and timber outputs aligned with national goals; (2) an assessment of local industry/markets and long-term supply needs; and (3) shared stewardship opportunities with states, tribes, partners, and industry, including addressing key barriers through investments and workforce capacity.
- On GNA: O’Leary noted direction to expand the region’s use of Good Neighbor Authority with the State of Alaska and that the Tongass and Chugach supervisors are working on a shared stewardship MOA. He noted increased flexibility under Good Neighbor agreements following the Explorer Act, including the ability to spend GNA revenue on nonfederal ownerships.
- O’Leary noted internal capacity constraints, including limited grants and agreements staffing and a backlog of agreement actions approaching the fiscal year deadline.

Nathan Lojewski: I have a comment. The executive order to consolidate fire management. I don't know if anyone's looked at Alaska and the Alaska Fire Service. They've consolidated all the Department of Interior agencies into one suppression agency so that those services aren't duplicated.

Lily Coyle: In a hearing with Chief Schultz when this was initially announced, he did reference Alaska and the model used here several times.

Effectiveness Monitoring, Pre-Science & Technical Groups: Lily Coyle, DNR/DOF

- Lily Coyle said the Division wanted to check in with the Board on the Effectiveness Monitoring Group and, separately, the forest roads issues raised by Eric Nichols and Jeff Hermanns and discussed at several meetings. She noted she had distributed briefing papers to the Board and offered to provide Jeff Hermanns a copy, since he is referenced in it.
- Coyle acknowledged delays on behalf of the State and said the topic has remained on the Division’s to-do list during staff turnover and recruitment transitions.
- Coyle said the work has branched into two taskings. Regarding forest roads, she said there was not consensus that the topic warranted standing up a Science & Technical Committee, but the Board had moved toward initiating a “pre” Science & Technical Committee conversation to allow dedicated discussion time outside regular Board meetings.
- Coyle summarized the proposed process (Forest Roads Briefing, page 2): to convene a “Pre Science & Technical Committee” working group including identified industry operators, land managers from each FRPA region, Mental Health Trust,

regulatory agency attendees, Board members who wish to participate, and Coyle to facilitate.

- Coyle proposed holding the work group in the fall and asked the Board for input on time and structure (one hour vs. two hours, one meeting vs. multiple meetings).
- Coyle said the purpose would be to define the problem and desired outcomes before moving to a Science & Technical Committee, including determining whether issues are statutory, regulatory, or research in nature. She said statutory/regulatory issues could lead to a recommendation to stand up a Science & Technical Committee, while research needs could be routed to the Effectiveness Monitoring Group.
- Coyle asked for Board input on: (1) how much time is needed and whether fall timing is appropriate; and (2) whether Sealaska and/or Afognak should participate in the pre-Science & Technical working group.

Keith Coulter: It seems like if you don't have these people get their materials together before all of this takes place, so that the Board can review it, it's just going to be another jam session.

Jeremy Douse: The issue here that we are facing is just defining the problem. We just need the Board and these outside entities to help us define that issue. I know Eric probably has some input in this right now, but this could take up this whole meeting. We need to tier this group off from the Board to define the problem, and then we can start diving into the appropriate effectiveness piece as we update these regulations and go through that process. But I don't think we've defined the problem.

Eric Nichols: My question is, I don't think you can define it if you don't go out in the field and actually see it. I just don't know if you're going to be able to when we talk about "active" and "inactive."

Jeremy Douse: The people that are on this group would be-

Eric Nichols: Yeah, but are you talking about in the field? I mean, you're talking about one hour? One hour is pretty...

Lily Coyle: Well, and that was a question to you guys. Because I've listened to and transcribed a lot of those meetings to get up to speed on what the discussion has been so far, and it's clearly a topic that, as Jeremy was saying, we could spend all day talking about this. So, if the Board feels that they'd want to set up two or three two-hour blocks-

Jeremy Douse: I would propose that this group that's been identified here, let's start with two meetings and see if we can get to an answer this fall. Let's see if we can get to an answer on just what the question is and identify the problem. If we need more time than that, we can add onto it. But let's just identify two, two-hour meetings to try and hash this out. That is how I would start.

Eric Nichols: I think, Jeremy, that would at least press this forward.

Keith Coulter: What about the format end of it?

Lily Coyle: Just conversations about who should be involved in this group. There were questions about if Sealaska and/or Afognak also be included. Because it is not a Science & Technical Committee, the thought was to keep it internal initially with the folks that have been discussing it and brought up the issue, so we can define this problem. And Jeremy just wanted to put it out to the Board to get your input-

Jeremy Douse: Yeah, so the land manager piece: the State's involved from each of the FRPA regions, the foresters that are out in the field doing the work. Mental Health Trust is involved because they are actively engaged. The idea was like, well, what about Native Corporations? And Sealaska came up. Well, they're not really doing much anymore. So what about Afognak?

Keith Coulter: I can sit in for Afognak, if you want.

Jeremy Douse: I think you were identified already as a participant, Keith. You're already on there. So that was why I thought that maybe Afognak instead of Sealaska, just because they've been more active.

Jeff Hermanns: I think Sealaska is still closing out quite a lot of their roads. It might be worth a call down there to [Jason].

Jeremy Douse: Well, we could. The other part- and I'll leave it up to you guys to think about here- is how many people do we want? Just think of volume and having too many people in this initial conversation. We've got potential land managers, regulatory agencies, Board members...so that's the question. Again, for industry: bring Eric and Keith. If you think anyone else from Alaska Forest Association should be involved. The land managers- I think that is pretty good. I do think we should include Afognak. The Sealaska piece is up for discussion, and then the regulatory piece is pretty straight forward there.

Keith Coulter: Do you have a Forest Practices forester in there?

Jeremy Douse: Yeah, Pat is on it. Then Ashley, representing the Division, would be as well.

Nathan Lojewski: If it needs a different Native Corporation, I can reach out. I don't know how active, like in Southcentral, they are on the roads. There's a number of them that have filed with forest roads.

Eric Nichols: Well Keith's representing them on the Board isn't he?

Jeremy Douse: No, he's non-governmental.

Eric Nichols: Who is representing Native Corporations on the Board?

Nathan Lojewski: I am.

Eric Nichols: I'm fine with that. I mean, I consider myself speaking for industry in general.

Nathan Lojewski: Yeah, but I don't actually work for the land-owning Native Corporations. It would be nice to have one of their land managers at the table to hear their perspective.

Jeremy Douse: Given that this is about roads, I would agree. If you have a recommendation, if you could send it to Lily, that would be great.

Nathan Lojewski: Yeah- if you can't find Afognak or Sealaska, Chugach or Port Graham are other Native Corps that have projects. They have forest roads. I don't know if it's management, but that's why it would be handy to have them there.

Eric Nichols: I'd start with two hours and see where you go. I mean, I just think that you're going to go through two hours very quickly.

Jeremy Douse: That's why I would go for two meetings. Schedule two, two-hour meetings.

Eric Nichols: I think you've got to get narrow.

Keith Coulter: You should force them to narrow it down before we do that. That's all I'm saying. So everybody's got their stuff. And we can all do the evaluation phase at some other juncture, and then we can discuss...

Eric Nichols: I mean- I don't want to get into pointing fingers. Just, what are we trying to accomplish with this thing? And then, how do you put it such that it's doable on the ground and the state knows what's going to happen. We need to define, really, "inactive road." What does that mean?

Jeff Hermanns: Well, and there's the implementation to it- Keith alluded to that previously- and that needs to be a part of the... I believe there is an implementation part of this.

Jeremy Douse: So we will definitely follow- once we get the problem and the question defined- then we will dive into the Science & Tech piece, and then the implementation group just like we would normally.

Jeff Hermanns: Yeah, but I'm talking as far as figuring out what is the issue right now. I think implementation is part of the issue. And I can do some homework to get you guys

information and to hopefully bring this down and help make it more concise with what the issues are.

Lily Coyle: After this meeting I can follow up with the group that will be involved and work with Jeremy to get a list of deliverables- essentially, come prepared with X- or things that we can distribute to the group.

Jeremy Douse: Yeah. We will definitely, before the meeting, get a handout for everybody to frame what this group is being tasked with.

Nathan Lojewski: The question, the last time we discussed this, was if there's active roads that require FRPA inspections and certain level of maintenance. There are closed roads where you pull culverts, bridges, and decommission them. And there is a request that it would be nice if there was something in between. But the law, or the regulations, doesn't really allow that right now. And the question is how do we address that, right?

Eric Nichols: I mean, we do have inactive status. It's just- what does that mean, right? How is it regulated?

Jeff Hermanns: Then there's a temporary road versus permanent road, and it's not very well defined in the regulations. Then all the interpretations also, that's where a lot of this lies.

Lily Coyle: So, essentially, after working through a lot of this with Jeremy, Ashley, and Pat, and looking through our statutes, I think we would go through these pre-Science & Technical discussions, and then with that, come back to the Board and say yes-these are all the reasons that warrant standing up a Science & Technical Committee to start the process of evaluating regulations. Then the second piece of this- which is the other briefing I shared with you- the Effectiveness Monitoring Group Briefing: that group is there for research. So what could potentially happen is: if we go through the pre-science & tech discussions, and realize there is not necessarily a statute update, but a research need, that could get sent to the Effectiveness Monitoring Group.

Keith Coulter: The distinction between temporary and more permanent roads is likely where the issue becomes most challenging, particularly in terms of compliance and regulatory requirements. Would temporary roads be subject to the same obligations?

Jeremy Douse: Yeah and I mean, it would be helpful to the division, if we could get more definition to what that is. We have reforestation requirements, and that's kind of what we've been tying it to. There is a seven-year period there. So that is what we've been tying these temporary roads to, so it can still be used to go out there, inspect an area, and make sure there is reforestation requirement being met. But it is not really tied to a regulation.

Eric Nichols: Like I said when we build roads, we don't even consider that at all. Well because, I mean in Southeast, we don't really have a reforestation issue.

Jeremy Douse: So how do we get the different regions the representation with this. I guess I am needing to know if there is a motion to convene a pre Science & Technical Committee group- with Lily's entering this- to include the Native Corporation land manager contact that Nathan can provide, to start meeting and define the problem.

Eric Nichols: If the state can put some side boards on it. I mean, I don't want to spend two hours going everywhere.

Jeremy Douse: Ok, is there any opposition to this idea? [No response] Well, that's close enough.

Eric Nichols: You don't pay us much for this, you know.

Lily Coyle: Ok. So we will proceed with two, two-hour long meetings designated for this and we'll see where this goes.

-Jeremy Douse: Alright so we'll break now for lunch. Meet back here at one o'clock.

### **Public Comment**

Jeremy Douse opened the public comment period at 1:00 p.m.

#### Brian Kleinhenz

Consulting professional forester. I like to add my support for the work that that Board is talking about with regards to forest roads. I support the Alaska Forest Practices Act and its mission to protect fish habitat and water quality, both important public resources. I think that it's my professional experience, working, especially in Region I is that decommissioning public roads has a questionable impact on the long-term water quality and fish habitat issues. I'm not convinced that closing the road is always the best option. I think it's really important that we protect those two public resources. But I also think that it's possible that the shorthand for the Forest Practices Act, originally, was focused on riparian buffer areas, and we lifted a lot of language about road, road maintenance, and road closures from experiences in the lower 48. I'd like to see this work continue and press forward, making it make more sense, especially for landowners. I think under its current interpretation, FRPA is actually incentivizing closing roads, which I don't think in in the long-term resource interest of the state. Thank you.

#### Jeff Hermann

Trust Land Office. We're at kind of a critical juncture with the Forest Service. And I would really like to see the board help to guide the Forest Service. And I think the State of Alaska could be really integral in quite a lot with what the Forest Service has going on right now. For

instance, they have these soil disturbance rules that they developed where now you can't essentially downhill cable log, which is ridiculous. You go to the Tongass and how much of was downhill cable logged? Probably 50 or 60%. But now, essentially with all the second growth stands, we're not planning on downhill logging. Because they're perception of soil disturbance. I think it's bad science. And I think that there's things that the board's already done with the landslide, you know, and just everything else. But that one issue right there takes a lot of land off the table for harvesting in the Tongass, and there's a lot more than that. So some of these rules and things like that the Forest Service has in play are actually a lot more impactful than the Roadless Rule. Everybody puts all of this stuff on the Roadless Rule, but there's so many other things that the Forest Service has, all of these layers of protections and all of these different rules of protecting these different things, that I think are just faulty science. I know it's a heavy lift and there's a lot of work to do and everything, but I mean, it's of paramount importance, because we're really at a critical juncture where, well, we're going to have a couple timber companies go forward, like Alcan and Viking, or they're going to be done and call it quits. And we'll just be completely done with the Tongass.

Jeremy Douse closed the public comment period at 1:08 p.m.

### **Carbon Offset Updates**

- Trevor Fulton introduced himself as the carbon offset program manager and said his role is to lead and coordinate development of carbon management projects on state lands. He noted he previously worked for DOF for close to 20 years, primarily on wildland fire, and most recently as the Board of Forestry liaison.
- Fulton said he comes to the position with that background and with the intent to move projects forward in a way that makes sense for the State and for those who use and depend on Alaska's forests.
- Fulton provided a program overview and said the carbon program was created through the Governor's SB 48 legislation in 2023, allowing DNR to use state land to develop nature-based projects that (1) generate carbon credits, (2) create co-benefits, and (3) provide a way for companies to mitigate emissions, with the goal of generating revenue for the State.
- Credits are generated by harnessing natural resources' ability to reduce or remove carbon dioxide from the atmosphere, and that each credit represents one metric ton of carbon dioxide equivalent reduced or removed.
- Credits are often purchased by companies seeking to reduce or offset their carbon footprint to meet voluntary emissions-reduction targets (e.g., carbon neutral or net zero goals).

- Provided examples, including the Pikka North Slope development (Santos) and Alaska Airlines' voluntary ticket-purchase offset option, noting offsets are typically accomplished through projects similar to those proposed on state lands.
- Fulton summarized key milestones since authorization in May 2023: implementation of program regulations following a public process; revisions underway to state forest management plans to allow carbon projects (Tanana Valley State Forest finalized at the end of June; Haines State Forest in progress; Southeast State Forest further out); and award of a competitive bid project-development services contract to Terra Verde in November 2024.
- Terra Verde supported a Tanana Valley feasibility study, which enabled drafting a Best Interest Finding (the State's go/no-go decision document) and initiation of discussions with the American Carbon Registry (ACR), which certifies projects and issues/tracks credits.
- Fulton said the program has also started a Kenai feasibility study, the second of four areas being assessed for Improved Forest Management (IFM) potential (Tanana Valley first; then Kenai; then likely Mat-Su; then Haines), noting timelines for later areas are not yet solid.
- DNR initiated early pre-registration discussions with ACR because ACR's IFM rules recently changed. He said the goal is to outline the proposed Tanana Valley IFM project and determine whether it aligns with ACR's revised IFM methodology (requirements for registration and credit generation).
- Fulton described IFM as implementing forest practices that increase carbon stored beyond what would occur under normal management, often via enhanced forest growth and extended harvest rotations.
- Tanana Valley IFM concept includes roughly 200,000 acres of Tanana Valley State Forest and adjacent forestry-classified state lands. He noted SB 48 requirements that project areas remain open to timber, mining, other resource development, and public access (hunting, fishing, and other allowable uses).
- The initial project design goal was a dual mandate: generate carbon revenue while maintaining a stable timber base. He said the concept presented to ACR is that annual forest growth with existing mill capacity (and current regional utilization around 25% of mill capacity) could hypothetically be sold as stumpage; if not sold, it could be counted as sequestered carbon. Fulton said this approach would allow timber production "first bite at the apple," with credits claimed from the remaining growth, as reflected in the feasibility study.
- ACR's revised IFM methodology is more conservative on additionality and eligible crediting activities and may not benefit project developers. He said if the only path forward requires curtailing timber harvest and conflicts with DNR and the

Governor's goals (stable timber supply and growing the timber sector), DNR may need to adjust course.

- Work continues on updating forest management plans, refining project boundaries, and drafting the Best Interest Finding while discussions with ACR continue.
- If IFM methodology proves incompatible, DNR may pivot to: (1) advocating for revised or new methodologies that align with State management goals; and/or (2) other proven project types (reforestation, biochar/woody biochar), particularly in areas affected by beetle kill and fire.
- DNR is preparing a solicitation of interest to gauge opportunities and market interest in those project types and intends to share it with the Board when it goes live (anticipated in the next couple of weeks).
- DNR is also tracking emerging opportunities, including a wildland fire emissions reduction methodology reportedly in development (expected draft by Verra in the coming months), and said public comment opportunities may be available.
- DNR is exploring marine carbon opportunities (green and blue carbon such as seaweed cultivation, plankton growth, and ocean alkalinity enhancement) and noted DNR was invited to participate on a Southeast Conference research and development grant scoring committee focused on marine carbon in Alaska.
- Fulton also described enhanced rock weathering as an emerging opportunity (pulverizing and spreading certain minerals that naturally capture carbon) and said DNR will evaluate whether Alaska has similar potential.
- Fulton concluded that, given DNR's management responsibilities across over 100 million acres of uplands, 60 million acres of tidelands, and state freshwater resources, the program continues to see significant potential for nature-based carbon offset projects in Alaska.

Eric Nichols: This Board's been skeptical of this since the beginning. When you talk about you're going to use unharvested growth in the Tanana for your carbon credits. That's a 40 year carbon credit. I'm assuming that you have to set that aside for 40 years. So the only way I can see where you can get using unharvesting growth, you've got to set certain standards or areas assigned with some kind of restriction for the next 40 years. Am I looking at that right?

Trevor Fulton: I think there's a little more color to it than that, Eric. You're right about the 40 year commitment. But it's across a somewhat broader area than you're probably thinking, and you're not setting aside specific stands. You are identifying a particular area where you're allowing forest growth to exceed what's harvested over the lifespan of the project. Right now, the Tanana Valley grows about 2 to 3% a year, and we only harvest about an eighth of that. But we have mill capacity for almost half of that growth. So what we're

discussing with ACR is the potential to consider that difference between the two as creditable, as something we can use for the basis to generate carbon credits. So that would give us a considerable amount of room for growth above where we're actually at now. In terms of timber harvest, we would just, those of course would be credits we wouldn't be able to claim. And it's something that would be adjusted sort of every time the projects looked at or every time the projects audited, you take a look at how much is being harvested, and how much you're under the allowable cut, how much there's regional mill capacity for, etc., etc. and you're coming up with a number, and that's what the credit generation would be based on to be. So it would be somewhat of a relief valve mechanism in there, Eric. It wouldn't be setting aside these stands to not be touched for 40 years.

Eric Nichols: So if it's based upon normal management, and you've been doing that in the Tanana for probably in 30 to 40 year range, and it's still only an eighth, then how can you claim that this is above normal? When the last 40 years says here is what is normal in your management.

Trevor Fulton: Well, we'll let you know how that goes.

Eric Nichols: I think these new protocols are kind of looking at- those are the things they're trying to take out of this.

Trevor Fulton: Well, we think you might be right, Eric. And that's one of the reasons we're looking at pivoting toward some of the other options of what we can do, both within our forests and with other landscapes and other resources.

Keith Coulter: I have a few comments. And we've been through this before. Instead of focusing our attention on these carbon credits, most of the literature suggests that we should be focusing our attention on the actual emitters taking jet plane flights and all this kind of stuff, and it's a marketing scheme for them to sort of distract the public, I guess, away from what they're actually doing. And I don't know how you get away from taking flights. I think if you read the literature quite a bit in terms of the marketing scheme, it seems like, for the IFM part of it, it was revised because it was so grossly inaccurate. The claims that they were making can't be quantified. They can't quantify that they've lowered carbon anywhere, nowhere. Also to Eric's point, it seems like the projects I've been involved with it's directly competing with the timber resource, because in order for them to claim additionality, it has to be some place right on a road or something like that, and it gets a little spooky because there's always- ones that I've been involved with, they curtailed timber harvesting down to very little, less than ten acres at any one given time. To try to get into economy of scale on that, do an actual project while you're working compatibly with carbon doesn't seem to work. I don't know. We do this every time at the Board of Forestry

Meeting. I don't know. I think the dollar bills are too big to ignore, maybe. But I don't know for how much longer. And, they have their case, I guess, and the rest of us have ours. But, the last Board of Forestry meeting we had, we were talking amongst us all. We decided it was like a million acres that's already into carbon. I sat there wondering, well, there's a million acres, it was put up by how many different project organizers, they're all saying one thing or another about the timber industry- right now, the timber industry stopped dead because of tariffs and complications down there. Do the carbon credits stop? We can't sell logs so what is the threat of imminent harvest? There's all these things that I'm wondering about. Anyway, just a few doubting Thomas type comments from me again.

Eric Nichols: Trevor, what I don't understand. And here's one that I could get really behind. Because you take carbon credits, you got the Mat-Su and I'm sure you've got a region in the Tanana too, that are in dire need of putting that into a new forest there. So why can't you guys go forward with a carbon project that really does seem to impact forestry in a positive way, by taking that money and going in there and getting that dead cottonwood, and dead spruce off there and planting something that may actually grow up there. To me, that would be a project that would actually generate more carbon and take those dollars and start this program to rehab that forest.

Trevor Fulton: I appreciate those comments, Eric. And that's certainly something we're going to be looking at. The primary reason we started in the Tanana Valley is, they had already begun the process to revise their state forest management plan by the time SB 48 was passed. So that was already in the works. If we're going to do a carbon offset project in a state forest, the management plan first has to allow for carbon offset projects. So that kind of limited where we were able to start looking, that's why we started with Tanana Valley, because they were the first to finish the revision process. As Trevor Dobell mentioned, Haines is still in the works. Once that's been completed, we'll be looking at our opportunities there. We're taking a look at Kenai right now because they're not part of the state forest system. And we can develop projects at any point there. Same with the Mat-Su area. So, there's a method to our madness. We'll be looking at some of the same things you just mentioned. And we're certainly looking for those sorts of co-benefits where we can make our forests healthier for the long term, for a variety of uses, including timber harvest.

Nathan Lojewski: It sounds like what you're saying is there's been some criticism of the IFM, the new protocols, but the new rules maybe- it sounds like maybe the projects that you were thinking aren't going to pencil out economically like they would? But, doing something to benefit the forests, in the Mat-Su or the Kenai, if you could layer a biomass burial, burying dead beetle kill spruce that doesn't have any value. And a reforestation project may actually pay for the reforestation of the forest and maybe some standard

maintenance. I don't know if it pans out, economically, but that'd be a good stroke for the forest. And I think it's worthwhile investigating.

Trevor Fulton: It certainly is. Thanks, Nathan. And that's another approach we're going to be taking a deep dive into. Reforestation definitely has, you know, it sounds great. It looks great. It solves multiple problems. But one of the challenges is, how do you pay for it? Upfront costs are significant. And the payback period for actually generating carbon is a lot longer, like, decades longer than it is for IFM projects. So, there are creative ways to finance those projects, whether or not that's something that would fit for the state. Well, that's something we'll be looking at as we either get some IFM projects under our belt so that we have some continuing revenue to look forward to, and we could explore other opportunities that might cost more and need more patient capital. Or if the IFM projects don't appear to align with DNR's other management goals in terms of our forests, maintaining the stable timber base, and even increasing timber supply, all of those things. All of those things. If there was an easy button solution out there, we'd be going after it. But that having been said, reforestation is certainly something on our radar. And biomass burial, or terrestrial storage of woody biomass, things like that. Particularly, you know, in light of some of the co-benefits that can come from finding a way to potentially repurpose, if you're talking about biochar. But with woody biomass burial, you're at least mitigating the problem of some of our degraded forest areas, places that have been damaged by wildfire or beetle kill.

Keith Coulter: What's the carbon footprint of burying a forest?

Jeremy Douse: Trevor, do you know of any place in the country where this biomass burial protocol has worked, and at what scale?

Trevor Fulton: You know, I'm actually going to punt that question over to Brian, because I believe Terra Verde has been involved in biomass projects down in the lower 48. Correct me if I'm wrong, Brian, or apologies if your not.

Brian Kleinhenz: Well, I'm aware of this going on in northern Idaho. There's one in Montana as well.

Jeremy Douse: How much do are they burying?

Jeff Hermanns: The one in Montana is about 1,000 acres that was actually killed in a fire. It was salvage harvest they put into decks, and now they dug a giant hole, and they're skidding the stuff in.

Keith Coulter: So 30 years ago, biochar, they've been talking about making biochar, and isn't it more of a marketplace issue? So you make biochar from the state forest or somewhere. Where is the market? Where are you going to take biochar?

Eric Nichols: California. It's actually pretty valuable.

John Rusyniak: Just curious. Do you have a map of the 200,000 acres that highlights the area you're talking about?

Trevor Fulton: We are working on the map right now. We're still refining some of the project boundaries, or where they would be. Once that's live, we'll be sure to share that with the board as well. Right now we're going through a process, in order to write that draft Best Interest Finding where we are thoroughly vetting pretty much every acre in the project to make sure, or to the extent possible, to maximize any future conflicts in the 40-year life of the project. Anything that might have mining interests, or agricultural interests, or sensitive habitat, things like that. So those boundaries are moving all the time as we work with our sister agencies on refining these boundaries. But, we're getting there, we're getting a little closer every week. And we look forward to be able to share that with the board.

### **DFFP Fire & Statewide Fuels Program Updates**

#### **Norm McDonald – DNR/DFFP**

- Norm McDonald noted the last time he presented to the Board the Division was going through the reorganization. He said he served as acting director for just under a year before Jeremy was hired, and he appreciated the experience and the opportunity to learn more about the Division's broader mission.
- McDonald said the reorganization began in 2020, driven by recognition of two complex missions (forestry and fire) that were changing rapidly, and that the prior "generalist model" was not working well for either side. He said the Division split programs to establish specialists while staying closely connected operationally, including coordination with regional foresters (e.g., Northern Region) and fuels work that overlaps with forestry.
- McDonald described the complexity of the changing fire environment (Alaska, U.S., and internationally) and said the Division tries to simplify the mission around four pillars: Preparedness, Prevention, Mitigation, and Suppression.
- DFFP's fire mission covers approximately 150 million acres and described Alaska's unique fire management model, including the division of protection responsibilities between agencies (BLM/Alaska Fire Service, State of Alaska, and Forest Service) and coordination across mixed ownerships. He said Alaska's model is being looked at nationally as agencies consider efficiencies and consolidation.
- McDonald described Alaska's pre-planned fire response categories (Critical, Full, Modified, Limited) and said Alaska is unique in designating areas where fire is allowed to play its natural role on the landscape under limited response. He noted a "transition date" (mid-July) in modified response areas where strategy can change from full to limited.
- McDonald summarized statewide trends and said Alaska is experiencing a changing fire environment, including more lightning, larger fires, and fire activity expanding

into areas that historically had fewer fire problems (including southwestern Alaska and the North Slope).

- The other major challenge is more people and values in fire-prone areas, noting about 75% of Alaska's population lives in wildland-urban interface (WUI) areas.
- McDonald described DFFP's organization (loosely based on the ICS model) and said the program includes about 220 firefighters (mostly seasonal) who shift among the four pillars when not actively assigned to suppression. He also emphasized the support/logistics function required to sustain field operations.
- 2025 Fire Season: McDonald said the season started slow and then accelerated into a busy summer with lightning activity around solstice, followed by red flag conditions (hot, dry, windy). He said the season reached approximately one million acres burned (around the statewide mean/average), with 400+ fires split fairly evenly between state and federal protection. McDonald said snow-free and dry conditions occurred early (March statewide; dry grass in February in Southcentral), enabling early prevention/enforcement work ahead of the April 1 season start.
- McDonald described resource ordering and mutual aid, including state-to-state agreements and the Northwest Compact, and said resources can be mobilized within 24–48 hours. He said Alaska also sends resources out-of-state during slower periods (including tanker support to Saskatchewan and resources to Montana).
- McDonald summarized impacts from the 2025 season, including 34 primary residences lost and damage to outbuildings/vehicles, primarily in the Northern Region, and significant impacts to utility infrastructure (over 100 miles of utility lines, with recovery ongoing).
- McDonald described the logistics of supporting imported firefighters and said approximately 4,300 firefighters were imported to Alaska in addition to Alaska-based resources. He described supply and support operations including food delivery to spike camps, and support at the UAF mobilization center (housing and meals). He emphasized the cost implications of those logistics and the importance of reducing need through preparedness and effective initial attack.
- McDonald emphasized cost containment through aggressive initial attack and preparedness. He cited that 184 state-protection fires were caught in initial attack (10 acres or less), with spending just under \$500,000 (about \$2,000 per fire).
- McDonald said "extended attack" fires (3 days to a couple of weeks) remain expensive but manageable and are generally handled with Alaska resources; he cited 39 fires at just under \$10 million total (noting wide variation by incident).
- McDonald said the greatest cost challenge is complex fires requiring Incident Management Teams (IMTs), citing examples including Bear Creek (Anderson), Nenana Ridge (Parks Highway closures, high visibility, values at risk including timber sales), and Himalaya (near Fairbanks). He described complex fires as commonly in the \$10–\$20 million range in Alaska, and noted lower-48 fires frequently exceed \$100 million due to rising contract and aviation costs.
- McDonald said key strategies to reduce costs include keeping resources in Alaska, catching fires small, managing extended attack with Alaska resources, and using fuels mitigation to reduce complexity and expensive tactics.

Keith Coulter: Do you know the number in terms of how much fire is costing more every year, compared to the last year? Is it 2%? 3%?

Norm McDonald: Yeah, I can look at that. I know they're- I think it's more than that. A lot of it was the same that all of us are seeing and we're paying for feeding people. And you go to the grocery store and it's probably costing 10% more than it did last year. Again a lot of it is the contracts. Aviation price, fuel price, same thing. I think this part of my job is- this is what I feel is the most part. How do we reduce those costs? I was born and raised in Alaska, my kids go to school here. I know the education issue that we're all facing. For every dollar we spend, I think about where that could be going to someplace else, you know, rather than to some guy in Washington to go back home with.

- McDonald said DFFP is seeing success through fuels mitigation (fuel breaks), including documentation of cost efficiencies and tactical benefits. He cited use of fuel breaks on the Himalaya Fire and said some fuel breaks protect over \$100 million in infrastructure by reducing the need for expensive response tactics.
- McDonald said DFFP implemented mission-critical pay incentives to align state firefighter pay more closely with federal counterparts, improving staffing from about 50% to nearly full staffing. He said improved staffing contributed to success in catching fires small.
- McDonald emphasized preparedness and evacuation coordination with local governments, describing multiple fast-moving incidents near communities and at least a dozen evacuations, with no fatalities. He attributed this to preplanning, public communication, and coordinated evacuation processes.
- McDonald described the Division's ten-year strategic plan and said 2026 priorities include expanding UAS (drone) program capabilities, modernizing the aviation fleet, and maintaining readiness at preparedness level 3 for moderate to high fire danger.
- McDonald described UAS as a cost-effective and lower-risk capability for certain tasks compared to helicopters, noted the Division's operator training (including aerial firing certification), and said UAS capability has crossover benefits for forestry operations (e.g., timber sale layout).
- McDonald said modernizing DFFP aviation assets is a priority, noting that importing aircraft via call-when-needed contracts is expensive (citing roughly \$1.5 million for a short-term period), while owning/operating aircraft can reduce cost and support multi-mission needs.
- Fuels Program: McDonald described a recent partnership fuels project on the Anchorage hillside involving DFFP, DOF, and the Municipality of Anchorage. He described the project scope (chainsaw work, pile building, burning during a cool/wet spring) and the visibility of work near residences. He cited a project cost in the \$300,000–\$400,000 range and said it protected a high value area (hundreds of millions of dollars in surrounding infrastructure and homes).
- McDonald said additional fuel break projects are planned and said the Division is exploring opportunities to integrate fuels work with timber utilization and market

opportunities (including examples in Nenana using woody debris and a woodchip boiler system to heat community buildings).

Eric Nichols: What was your percentage of natural fires versus human caused?

Norm McDonald: It's usually right around 60%. I think 64% human is our- and that's been dropping. We've really stepped up our prevention program, but it was not that big this year. It was a lot more lightning this year than human. Part of the reason, we had a burn suspension for most of June, when we had high fire danger, this is another thing that can help reduce those human-caused fires.

John Rusyniak: On slide 14, you talked about good communication with the public, but what about an area like Tok, without local government? I mean, we had people evacuating, but didn't know how to notify them.

Norm McDonald: Yeah, so where we have an unincorporated borough, it's through the state Division of Emergency Services, they have a state Emergency Operations Center, and that's one where I think they learned a lot on that. We told them we were doing evacuations. They're really the ones that help get that message out. I think- we'll work closer with those groups this winter on that for committees like Delta, Tok, the outskirts of Fairbanks. I mean, outside of the Municipality of Anchorage and communities outside of Mat-Su Borough. We can improve there.

John Rusyniak: Okay. I've been there a long time, so I'd like to be involved in that one.

Norm McDonald: Yeah. Absolutely. Mark Roberts is the EOC operations manager. So that's why he's, you know-

John Rusyniak: I think it was, someone might remember, but we had a phone tree thing set up in Tok, and I don't know where that ever went, but I know we worked with the school district, the forestry and the Chamber of Commerce. That's somewhere.

Norm McDonald: Yeah, Ok. That's what we want- to get the right people in there and have these processes set. But I do know on that fire this summer, we had a lot of good comm lessons learned.

Jeff Hermanns: Is most of your fuels money still coming from the feds? I mean, are you able to put the cost into a thing where, maybe we can get the state to start funding some of these fuel projects?

Norm McDonald: Well, the State did. In 2019, this administration put just under \$19 million into fuels. That was just after the 2019 fire season. It was a big season for us. We lost a bunch of homes in the Mat-Su Valley, I think about 70 homes. It was devastating. And we had that in the form of CIP. That kind of gave us the start-up for that fuels program. But a lot

of those projects are all state funded. And now, we can leverage some federal funds by having state funds available to help us. It's been a huge help for us.

Nathan Lojewski: Has the state continued to fund, or is it just that one time investment?

Norm McDonald: Yeah, it was three years. And that totaled the 19 so we're kind of coming to the end of that in the next two years. Some of the things we're working on, and it just needs to go through legislation, but we get an FMAG. It's a federal, when we get a large fire, we go through FEMA to get 75% cost recovery. One of the things that we're looking at is opportunities, when we get those FMAG fires, recover funding, but put a percentage of that into fuels and prevention. This was a great year to show that, this summer we saw the value of those fuel breaks- public safety, cost reduction, to be able to tell that story to invest in some of these projects. I mean, they're not cheap. Yeah. Some of these, like I said, the Anchorage one was expensive, that's a \$300,000 to \$400,000 project. But if you use it for a fire, you can stop a \$10 million fire or a \$20 million fire, or one like we had on the Parks Highway that burned 70 homes? That's huge. So the answer to your question, I think there are some opportunities.

Nathan Lojewski: The reason I ask is, Board of Forestry prepares an annual report to the governor every year. I think the fuels program is important, if the funding is going away and we are at risk of losing it...

Norm McDonald: I'll work with Jeremy and see if we can put some of that info together for you.

Nathan Zalewski: Part of the CIPs, they do have the chance for extension if it's not exhausted by the time your term runs out. And that's obviously an ongoing process of how much of those funds become encumbered, have been spent, etc. If we are looking at an extension in your report out to the governor, that would be a really good mechanism- the extension of whatever is left in the CIP funds. And that would be at the end of this next fiscal year, I think would be the opportunity for that.

### **Local Lumber Grading & Wood Utilization**

#### **Matt Labrenz – UAF Cooperative Extension**

- Matt Labrenz stated the objectives were to explain the lumber grading program, why it is needed in Alaska, and how it integrates with the structural lumber grading system used nationally, including how it is implemented in Alaska.
- Labrenz explained the Lumber Grading Program is intended to help sawmillers produce lumber that can be used in Alaska homebuilding. He described it as a state alternative to the structural lumber grading program, intended to better fit small to

medium-sized businesses, enabling participants to grade structural/dimension lumber for residential framing in Alaska.

- Labrenz said the need for the program is driven by residential building code requirements, which generally require grade-stamped lumber. He emphasized the Alaska Lumber Grading (ALG) program is an alternative to that requirement and is not an expansion or continuation of the existing grade mark system; it is related but distinct.
- Labrenz described two primary contexts where residential building codes apply in Alaska: (1) lender-enforced requirements (e.g., during frame inspection) and (2) municipally enforced requirements.
- Labrenz said dimension lumber grading is traditionally and still widely a visual process. He noted that observed defects and species identification inform design values used in building calculations (e.g., allowable spans).
- Labrenz summarized strengths of the national grade mark system, including standardization, consistency, third-party audits/quality control, and ongoing review and updates based on science and industry practice.
- Labrenz said Alaska's challenges are primarily cost and access: membership fees for accredited grading bureaus can be expensive for most Alaska businesses, and many remote communities lack access to grading bureau systems. He said as a result, most structural lumber used in Alaska homebuilding is imported (Canada and the Pacific Northwest), leaving Alaska subject to price volatility and domestic resource underutilization.
- Labrenz said ALG is limited in scope to three grades useful in residential construction and does not extend to commercial building types or higher-grade applications.
- Labrenz explained certification is issued to individuals (not mills). In lieu of third-party audit systems, safeguards include required traceability documentation, and building inspectors/local code officials retain authority to approve or reject use.
- Labrenz emphasized the program builds on earlier work establishing design values for Alaska species and credited advocacy by many stakeholders in advancing the concept into legislation signed by Governor Dunleavy, authorizing DOF and mandating program setup.
- Labrenz said the first ALG training was held in Palmer in June 2024, and by the end of 2024 the program had trained 100 people. He described the training format: one 8-hour day including lecture and hands-on grading practice, followed by an assessment test required for certification. He said there is no registration cost and the training is free.

- Labrenz said he receives guidance from Jeremy Douse and uses a course interest form and community outreach to identify where trainings are needed.
- Labrenz reported 13 courses had been held to date in 10 locations, with 156 individuals certified at the time of the presentation.
- Labrenz summarized participation patterns: approximately 50% small to medium sawmill businesses (including serious part-time operators, businesses with roughly 1–10 employees, and organizations such as Tribes/Organized Villages), ~25% hobbyists (one-person owner/operators), ~20% “aspiring” participants (not yet owning a mill but interested, often likely to acquire one), and ~5% from out-of-state/public agencies and local architects/engineers seeking to understand the program.
- Labrenz said an unexpected takeaway was demand for basic sawmill operations training, noting some participants expected “how to use a sawmill” content. He said the program has emphasized clearer messaging that this is structural lumber grading training, and he noted interest in expanding into sawmill operations training.
- Labrenz said there is significant demand for lumber drying knowledge. He described three lumber drying workshops supported in part by a Forest Service Wood Innovations grant (in partnership with DOF) and featuring Dr. Frederik Laleicke (NC State, wood products extension specialist). He said the workshops were two days, charged a \$100 registration fee, and had 30 participants.
- Labrenz said five additional ALG trainings were scheduled for 2025 and described continued demand, including interest generated through general calendar posting.
- Labrenz described early impacts, including examples of organizations expanding forest management/harvest and equipment capacity to address management, wildfire resiliency, and housing needs. Examples cited included Kuskokwim Corporation (Aniak training attendees), Port Graham, Dot Lake, Galena, and Yukon Delta Fishery Association (exploring conversion of a fish processing plant into a mill operation). He said he anticipates these groups may incorporate self-certification of structural lumber in a significant way over time.
- Labrenz said municipal adoption is necessary for full implementation: local building departments must formally adopt ALG use into local codes. He described CES’s role as delivering education/certification and supporting municipal integration efforts. He noted the Alaska Housing Finance Corporation (AHFC) made a formal resolution supporting the program, which he said may serve as a precursor for municipal adoption. He said some municipalities have stated intent to adopt and that outreach is underway with engineers, architects, and inspectors.
- Labrenz said additional program goals include supporting work to establish strength properties for Alaska species (long-term), expanding sawmill operations training and

lumber drying workshops, and developing an online wood products directory using Wood Innovations grant funding.

- Labrenz described a use case for the directory: post-Typhoon Merbok housing needs prompted inquiries about local structural lumber producers, and 15 producers expressed interest. He said the current list is informal and the goal is an official online directory.
- Labrenz said additional goals include developing an Alaska-sourced forest product branding campaign (an “Alaska Grown” equivalent), noting they cannot simply attach to Alaska Grown, and that achieving these goals may require hiring additional staff to expand the wood products program.
- Labrenz said the program is also working on an extension-style publication: university/science-backed but presented in a high-utility format as a comprehensive lumber grading reference for Alaska.

Keith Coulter: Is your funding safe? Is it getting caught up in all the freezes and everything?

Jeremy Douse: The base funding for the program is state funding, UGF. So that’s not been a problem. The Legislature passed that when they passed the bill. Then the USFS wood innovation grant we had helped get program off the ground, and we just got an allocation for another wood innovations grant to help with some of this market stuff.

### **Approval of Minutes**

Jeremy Douse called for a motion to approve minutes from the October 29, 2024 and the February 26, 2025 meetings now that there is a quorum. Brian Kovol made a motion to approve. John Rusyniak seconded. No objections.

### **Alaska Forest Association Updates**

#### Tessa Axelson – AFA

- Tessa Axelson stated she would “do what industry always does- deliver the best possible product under a shortened timeline with a different set of rules than we thought we had going into this.”
- Axelson added, “in a dangerous zone, as someone who works for a board,” she had heard comments during the meeting and noted for the record that her timber committee chair (and former AFA vice president) “was right about carbon,” stating, “Mr. Nichols was right. Once again.”

Eric Nichols: I think Keith was right.

Tessa Axelson: I don't work for Keith yet, but I did hear that both of you were right, yes.

- Axelson described AFA as Alaska’s oldest industry association and a trade organization representing forest products industry workers statewide, dating back to the late 1950s.
- Axelson said AFA has focused in recent years on expanding membership beyond Southeast. She emphasized that Alaska is different and that forest products industry conditions vary substantially by region, with some shared challenges and opportunities but distinct realities across coastal, transitional, and boreal forest regions.
- Axelson said AFA generally frames membership and issues using the same three forest regions as the state: coastal forests (Southeast), transitional forests, and boreal forests.
- Region I, Southeast Alaska
  - o Axelson stated Southeast Alaska faces a major land ownership constraint: approximately 94% of Southeast Alaska is controlled by the U.S. Forest Service, with smaller “disconnected” ownerships including Trust Land Office parcels, state forest lands, tribal corporation lands, and others. She stated this fragmented ownership creates challenges for access, easements, and road connectivity, and cited decades-long road agreement discussions without resolution.
  - o Axelson stated the Southeast industry needs approximately 46 MMBF/year from the Forest Service (based on the current plan referenced as the “2016 plan”), and roughly 56 MMBF/year overall. She stated the gap between needed and delivered volume is significant.
  - o Axelson said supply uncertainty impacts operators’ ability to plan, invest (including large capital equipment), and respond strategically to land manager questions about future programs and coordination.
  - o Axelson said the state should continue pressing the federal agency to deliver on commitments to operators and the forest products industry, noting legal obligations and prior litigation. She referenced a Wall Street Journal op-ed written by Sarah Dahlstrom (Viking Lumber family) describing impacts when the Forest Service does not deliver promised timber supply and emphasizing the relevance to broader state-federal planning coordination.
  - o Axelson stated a second major issue affecting coastal forests (and potentially other regions) is current tariff and trade dynamics, including a China ban on imports of U.S. logs, described as a retaliatory action. She said the impacts could threaten operators in the Tongass and noted concerns raised publicly by other operators (including Transpac and Afognak, while stating she does not speak on their behalf). She said operators with inventory

intended for Asian markets now face limited alternatives, often shipping to the lower 48 at a significant loss, and emphasized this is not sustainable for business operations.

- Axelson said AFA is working with the Commissioner, Governor, and Alaska’s delegation to raise awareness of the issue and pursue solutions.
- Region II, Southcentral: Axelson said a primary issue for this region is forest health. She referenced discussions with Kenai-area operators and noted that needs and priorities in Kenai differ from Southeast members’ needs.
- Region III, Interior: Axelson said this region discussion often centers on infrastructure needs.
- Industry myths and clarifications:
  - Axelson said myths persist about the forest products industry and stated she wanted to address several recurring narratives.
  - Axelson stated that the industry is often characterized as “chopping down old growth left and right,” and she challenged that characterization. She stated that in Southeast Alaska in 2023, the industry harvested 56 MMBF, and 45% was young growth, describing the industry as both young growth and old growth dependent and stating a mix remains necessary.
  - Axelson stated AFA’s position is that the 2016 plan is not “in year eight” and “needs to go back to year one,” asserting the industry requires the difference between what should have been delivered and what has been delivered, and stating the agency has committed to meeting that need.
  - Axelson said another misconception is that Alaska wood products only serve export markets. She stated products from at least one AFA member (Viking Lumber) serve customers in all 50 states and are linked to thousands of jobs outside Alaska. She also described a range of end uses for Alaska forest products (including specialized and high-value applications).
  - Axelson emphasized that Alaska operators are small by national standards and stated that every AFA member qualifies under Small Business Administration small business classifications, with many multigenerational and family-owned operations.
- Regional solutions and interdependency
  - Axelson said solutions must match regional realities; for example, kiln drying may be more effective in some regions than others, and volume needs differ widely (e.g., the volume needed by Viking compared to smaller Southcentral operators).
  - Axelson described interdependency in the industry, stating that on Prince of Wales Island, if a large mill is not operating, smaller mills and micro-

operators may be affected because they often rely on larger operators' infrastructure and supply.

- Coordination with landowners and program clarity
  - o Axelson emphasized that landowner coordination is central to industry viability and that industry must respond to landowners' shifting priorities across administrations. She highlighted current opportunity tied to Good Neighbor Authority (GNA) initiatives and referenced examples of large-scale State and Forest Service agreements in other states, asking how Alaska can pursue similar opportunities.
  - o Axelson stressed the importance of communication and consistency in timber sale administration, noting that discretionary decisions at the sale-management level can affect volume, costs, and outcomes for operators.
  - o Axelson said AFA is working with the State Forester and others on education and clearer communication for operators about how to navigate different sale types and processes across landowners (State, Trust Land Office, Forest Service), recognizing that operators' availability for meetings and comments is limited because they must be in the field to operate their businesses.
- Roads and multiple use
  - o Axelson emphasized that roads built through forest operations support multi-use access and are "lifeblood" infrastructure for many communities and regions, supporting subsistence, tourism, and other uses.
  - o Axelson stated repealing Roadless immediately would not solve near-term industry supply needs because volume available under Roadless is not NEPA-cleared, and emphasized the need for near-term solutions that keep the industry viable (including coordination among landowners for functional, operable sales).
- Closing themes and acknowledgements
  - o Axelson stated that operators are highly skilled and deeply committed to sustainable practices, and she rejected characterizations that suggest otherwise, emphasizing the industry's dependence on healthy, actively managed forests for long-term viability.
  - o Axelson stated there is an opportunity for progress under current state and federal administrations, but it will require landowners and leaders to push for coordination and change.
  - o Axelson stated AFA supported the lumber grading bill and expressed appreciation for the work to implement the program, describing it as useful for smaller operators.

- Axelson stated AFA supports state forest expansion and expressed appreciation for recent state leadership engagement supporting industry viability.
- Axelson estimated approximately \$150 million in direct investment by operators into Alaska’s economy, emphasizing impacts on families and communities.
- Axelson closed with an example describing the long-term community economic impacts of stable mill employment- workers becoming homeowners, sending children to college, and building long-term stability- framing this as the “promise of the industry” and a question of leadership and willingness to achieve it.

### **Wrap-Up**

#### Next Meeting Date and Agenda Items:

Jeremy Douse: One thing I wanted to touch base on is that before Covid, we met three times per year. Since Covid, it looks like the schedule has been more like two times per year, and there may have been a launched decision to go that way that I am not aware of. I just wanted to- we are going to stick with one face-to-face meeting a year. But, do we want to have two or three meetings per year knowing that other meetings can be remote. Or do we want to just stick with two?

Nathan Lojewski: Is there anything in the statutes that requires meetings?

Jeremy Douse: I think there is, but it’s that there is a requirement to have a meeting where the public can make comment in each of the three FRPA regions. But now, so those statutes were written before virtual/ Teams was a thing, and now we can achieve that with one meeting.

Keith Coulter: Do you think you’ll struggle to come up with content for three? Like, exciting fire-type content?

Jeremy Douse: There are a couple of things we need to add to every meeting. We need to start bringing back the Energy Task Group update, probably Tanana Chief’s Conference, and then with this wood innovations grant we have, just an update on what is going on in that world.

Keith Coulter: I don’t have any problem with it.

Eric Nichols: I don’t want it to get like Helge, where it looked like he didn’t even want to be here. So, I mean if we are going to sit on this board and you want us to have interesting discussions and to accomplish something, if we are going to take our time and effort- I

mean, the state puts a lot of time and effort into these meetings, but- the content's got to be driven by what is going on in the industry today and I don't know if it needs that extra meeting. I mean. We have big issues with the export. We have big issues going on with the feds. We have big issues going on with roads. There are issues here that needs to be addressed.

Jeremy Douse: I guess what I would propose then, because there are some immediate needs with industry, we go back to three and can reevaluate that if it feels like two works better. That's what I would propose, but you are the Board, so if anyone is adamantly opposed, please let us know. Ok. Thumbs up. So, the next thing we have to do is schedule the next meeting. Do you have a list of frequency of when the three meetings fell?

Lily Coyle: Yes, I think we would essentially be looking at November-December, which I know that is a hard time for people with the holidays. We've been sticking to the February and August meetings since covid, essentially. So we can stick to that or try to add another meeting in that fall period- November, potentially? We could look at spacing them out differently but because of the letter to the Governor that February one is pretty important.

Jeremy Douse: So yeah, we could do one either in January or February. We could potentially get it done in January- have the letter to the governor ready for you all to review, and then the meeting after that. So kind of a summer, winter, spring meeting schedule?

Nathan Lojewski: Wasn't the meeting not always in August?

Jeremy Douse: No, it's been in October.

Nathan Lojewski: I think it got pushed to August because people were having a hard time fitting it in their schedule in like June and July.

Eric Nichols: I don't know it seems like the times we've met here in Palmer we've always had the State Fair going on.

Nathan Lojewski: We met here in 2019 and toured the Doshka Landing Fire?

Tessa Axelson: AFA's annual convention will be in Ketchikan this year on the 22<sup>nd</sup> and 23<sup>rd</sup> of October. It will be done in coordination with the landowner's meeting and the TTC meeting. I don't know if that works but we will extend through Lily an invitation to members of the Board.

Nathan Lojewski: That's the same week as the Fall Fire Review and the Society of American Foresters convention. It's busy.

Jeremy Douse: I will propose for our next meeting to be in February. We need something in the legislative session. We need it to be deep enough in the legislative session to know what is going on with current bills or needed bills, and something that is not close enough

to the end so that you can potentially add to the letter to the governor. Early February would probably work better for the requirements we are trying to meet.

Board members suggested different dates and multiple people agreed to try for February 10. There was no opposition or conflict noted with the 10<sup>th</sup> and Board members asked Lily send a follow up email and calendar reminder to confirm.

### **Board Comments**

#### Bill Morris (written comment)

I have a hard stop at 1500. Please provide my kudos to Fire. We were in the field in the midst of the fires for much of the summer, and Fire [program] did a truly amazing job out there. We have projects out around the McGrath, Bear Creek, and of course Fairbanks. We were working out in some creeks right by the Himalaya and Aggie Creek Fires and were there the afternoon the Himalaya Fire started. We watched the lightning set it off and watched the fire start shooting up the ridges. Fire [program] did an amazing job out there. It's also great to see the lumber grading effort moving ahead. I can't speak for other areas, but it will be a great benefit. My apologies to my fellow board members for missing in-person meeting and field trip this year. These tend to be the most productive meetings. Thank you for setting this up and thanks to all the presenters.

#### Nathan Lojewski

I've already said this once, but it was really exciting in 2019 when the state invested money into fuel treatments and if that's coming to an end, that would be something important for us to advocate for- continuing that funding. Maybe not at the same funding level, if the state can't swing it. Fuel breaks work. They protect lives, property. It's important.

#### Jeremy Douse

Yeah, I would agree with you completely.

#### Keith Coulter

I think the AFA did a nice job presenting, but I think the numbers should be in the hundreds of millions, and you guys know that too. It seems like we're just targeting the existing infrastructure and without, you know, additional volume there...it makes it tough. Are your rates different than they used to be? You used to have to buy insurance to be in the AFA, that was kind of a killer.

#### Tessa Axelson

It's different now, yes. A lot of people don't need insurance like they used to, they have other networks now. You do not need to purchase insurance to be a member of the AFA.

#### Eric Nichols

I don't want to sound like a broken record, but I probably do. I don't know if people understand what the China ban did to, at least production in Southeast. It's a huge issue. Some of these sales are 100% dependent on that market. All the young growth sales are dependent upon that market. Anything under about 17 inches or so was going into that market. So we have areas- that Mental Health sale? 50% of the volume is going to China. It's a market that allows us to put a wide variety of log in there. As we've now had to go to other markets, we have much more difficulties, more costs. People who only want 12-19 inch. People who only want 8-11 inch. We have utilization that says you have to utilize six and seven inch and different lengths. Japan wants 40, but China wants 38, but Korea wants 36. The US market will take 36 to 40 foot. If we put it in containers, then we have to be less than 40 foot. So you have to know these things well in advance. All of a sudden when you get cut off, you have a lot of inventory- we've got a lot of inventory that was specifically made for this market. And it got cut off with a notice in the newspaper, that single day. When we've got time to prepare for it, we had a ship coming, and we got caught with a lot of inventory. We need the state and the feds, as much as we possibly can get, to get them to put some pressure on. What are we going to do with these alternative industries? What are we going to do with this product? It's not really a matter of what the price is, it's where is it going to go? I can't continue to buy timber sales, or continue to harvest, if I don't know where 50% of that log is going to go. Looking at transportation cost, right now, we can put logs into Shanghai, China cheaper than Seattle. And that's just a fact of life. When we look at the Seattle market, when we sent wood down there, I think in that one barge load we lost somewhere between \$300 and \$350 thousand dollars. One that one load of logs. We can't continue to do that. And this is this is nothing that we haven't told from the fed side to the state side here. But it's critical that Jeremy and DOF, number one, put out sales that we can do something with. But number two, really push the political side of things, at least to get an answer. I mean, I spent a week in DC trying to get...what's the trade going on? Who's talking to who? Is this even a conversation with US and China? We don't know. I mean, I understand people don't like us shipping on overseas, but, you know- in fact I was at a Murkowski thing a week ago in Ketchikan. Steve's [Connelly] old boss came up to me and started to berate me pretty hard about us not having sawn lumber out of our product. And, you know, my point was, who's got the sawmill? Where do you want me to send them to? If you want to cut them here in Alaska, Ketchikan Pulp Company shut down two of their sawmills. I mean, we cannot get to that point until somebody besides the federal government owns a very large chunk of the Tongass or we have a consistent supply where you can put the investment in to make that product, if it can be competitive with the rest of the world. That's always the problem we have, you cannot invest long term money in short term timber sales. It doesn't take an MBA to figure that out. Equipment's expensive. People are expensive. It's very expensive to do business in Southeast. The roads are very

expensive. We have to have a return on that. And right now, if you put up a young growth sale, you're losing somewhere between \$300 to \$400 a thousand, and they can't do it. Nobody's got that kind of money left to invest in that. Whatever we can do from the state side of things, we need to push at the federal level. You go to DC and the first thing asked is, what does the state think? And you may not think that the state has a big impact, but it really does. It really does on the federal side. The chief coming out is a big thing, him coming here. Sullivan's trying to get Secretary Rollins out here. That's a big deal. The op ed in the Wall Street Journal. It's a huge deal. So people are starting to see some of the issues going on out there, but we really need the state continue to work with industry as best they can in order to get some sales out there that we can live with, at least in the short term. Or else it's just not- We're to the point where we have to make a decision on what we're going to do. But we have inventory that needs to go someplace. So it's a big issue for something people. Tessa's done a very good job on working around the state, giving a voice for some of these other smaller mills out there. So I really give her a lot of credit for that. And I really appreciate the in-person meeting. I do understand the Teams meetings, but I just think you get so much more feedback, so much more information in the in-person than we do with the video. I understand the cost and everything that it takes, but I think it conveys the information a lot more. I appreciate the state putting this on.

#### Brian Kovol

I appreciate what you said about the in-person meetings, too. I do get a lot of interaction with the different board members, the department, the stakeholders, when I'm at these meetings. And it's really important because I end up talking to other various entities and sharing this information that I get at these in person meetings. It's really important to me to be able to convey that. Also I learn a lot more through that exchange as well. Today I learned a lot about the fire side, which I hadn't heard in the past, and I appreciate that. I also want to emphasize also what Nathan mentioned as well, the fuels program is really important and I think we need to have that as part of our letter in February. Along with a number of other things the board feels are important. The lumber grading, it's neat to see that take off. It just had me smiling through the presentation to see that interest take off. I'm excited to see where that goes. I hope it is extremely successful. I certainly am cognizant of the pressures that the industry is under. I hope to see some positive change on the Forest Service's side. One of the things that I do in my professional life is I'm a NEPA trainer, I do NEPA projects. It's what I do, and we're seeing that NEPA really change. We're seeing a focus back to categorical exclusions, or wanting to be expanding those. We're seeing focus on very large projects, like West Susitna Access. You know it would normally be an EIS. That is an EA moving forward. We're seeing EIS changes being made, updates in the process of completing environmental reports and recertifying. So those things are happening very

quickly. And it's a bipartisan effort, really, to change the NEPA process to one that is more informative and one that has been, really run by the courts and, and stopping projects. And so I'm hoping, and one of the direct benefits of moving to the EAs is they can be done locally. Those are all done on the Alaska scale, by Alaska supervisors, not sent to DC or Denver. I've had to deal with, or, you know, some of these other sort of middle management sides of things, but you're really bringing those things in locally. So I'm interested to see how that develops here over the next 6 to 12 months and hopefully it is a positive change for logging in Southeast. I'm very interested in this FRPA committee. Not that I would really have anything that I could, I think, bring to bear, because I just don't have the industry background, but I'm interested to see, the fruits of that committee and see what the costs are there. Because, I mean, FRPA is a very simple process, but it is working. And I understand there needs to be some wiggle room with the roads and things like that. So I'm interested to see what, how that process plays out and what the action items are for that, inactive versus active and what they need down there.

John Rusyniak

Well, my main comment is I may be at a misconception about what this board does, but it seems like we do a lot of listening to what's happening, but don't make any decisions about what's to be done. And I don't know if that's right or wrong, if that's what we should be doing, but how does action take place? Is that all on you then, Jeremy? To listen to report after report with no decisions or direction.

Jeremy Douse: It's a good question and the group is an advisory group to the department. That's what the statute says, so I think how that gets communicated- we present a bunch of stuff to the board, and then you provide feedback to us to course correct when we need to or if you think something's going to work or something doesn't work. And then that letter to the governor is a big thing. I mean, this whole discussion, that's how I see the role of the board, is to provide the department guidance.

Nathan Lojewski: Well, some history, a couple of years ago the National Resource Conservation Service was proposing a rule change to their EQIP program that would cut out all the Native Corporations. And so the board wrote a letter, to the public comment with NRCS stating that would be detrimental to Alaska landowners. You know, we're not prohibited from taking action. Some things might be outside of the scope of the board...

Jeremy Douse: Yeah, I think the board can comment on forestry related items like that.

Eric Nichols: I'll give you one, John. We had a lot of public pressure. University and Mental Health Trust had properties in Petersburg that was on steeper slopes. And that became a big issue on, you know, do we have enough regulations on harvesting timber and road

building on steeper slopes. Especially with all- you've been following what happens in Southeast. We've had a major slide in all the bigger towns there now. And so, you know, the board took a scientific and went through the whole process and ended up changing some of the language in FRPA. Those are what I see this board- if there needs to be a correction, It's got to come through here. And this board is very instrumental in who becomes the State Forester. We have to pick two names, it goes to the governor who gets the final choice. But we narrow those people down to the two choices for him.

John Rusyniak: So, after today's meeting, what outcomes have we done to advise...

Jeremy Douse: A big one is this roads topic.

John Rusyniak: Ok. And I agree with that.

Eric Nichols: And I want Jeremy to hear loud and clear that he has to stay engaged, engaged on the federal side of things, stay engaged on the stuff in southeast. And, you know, we'll hear from somebody with a sawmill on the field trip tomorrow. I'm sure we'll hear some things we might do to help those guys. This board, it's not always a letter, we write plenty of those, but it's really where you steer these guys to go.

John Rusyniak: But most of today has been- we're hearing reports, we've asked questions, but we haven't done much steering.

Eric Nichols: Well I think it depends on if there is a problem out there. I mean, if there is no problem out there- I mean the effectiveness and monitoring is a big part of that. And we get a report every year that says how well FRPA is doing. And we always put a lot of strength in that because we believe that FRPA is doing what it's supposed to do. And so we'll get this report and that will show the governor, and it can show the world that, yes, we are compliant and we are protecting these resources. And for me, in the industry, that's huge. I can look at plans- this is what we work under, this has been certified by third parties that we are complying and not harming the environment.

Jeremy Douse: But you also have at these board meetings- so if you had something you feel like, this just isn't working. You can bring that, you can send that to Lily to add to the agenda to be addressed.

Eric Nichols: The Mental Health Land Trust. They came before this board many times. We put letters in support of that. There's a lot of work gone in over the years, it's just, you're not going to see it every single meeting.

### **Meeting Adjourned**