

Minutes: Board of Forestry Teleconference Meeting

Thursday, October 20, 2022: 8:00 am

Call to Order and Roll Call

Helge Eng, State Forester, called the meeting to order at 8:00 am. The meeting was chaired at the Division of Forestry & Fire Protection office (Suite 1450 of the Atwood Building in Anchorage). The public notice included connection information for anyone to call in or connect via Zoom.

Present (in-person):

Helge Eng, Eric Nichols, Nathan Lojewski

Alison Arians (DOF), Trever Fulton (DOF) Steve Connelly (DOF), Jeff Hermanns (MHT), Sue Rodman (ADFG)

Present telephonically:

Mike Post, Brian Koval, Bill Morris, Denise Herzog, Russ Byerly

Jeremy Douse (DOF), Tom Paragi (ADFG), Kate Kanouse (ADFG), Ben Mulligan (ADFG), Ashley List (DOF), Greg Staunton (DOF), Brock Tabor (DEC), Thad Adkins (LAW), Priscilla Morris (USFS), Tessa Axelson (AFA), Randy Toman (Whale Pass) Ed Martin, Jr. (Kenai), Mark Minnillo (ADFG), Pat Palkovic (DOF), Greg Palmieri (DOF), Chris Tcimpidis (NRCS), others present on Zoom meeting.

Background

Review of public meeting notice and agenda

Chair Eng encouraged a discussion of returning to a previous practice of including timeframes for agenda items:

- Eric Nichols: noting breaktimes and/or lunchtime would be nice
- Bill Morris: going without timeframes is fine for board members but including them might be helpful for members of the public
- Denise Herzog: timeframes could be helpful for agency personnel who drop in and out of the meeting
- Russel Byerly: people who aren't in for the whole meeting might find timeframes helpful
- Mike Post: might be nice to have a set time for public comment
- Brian Koval: agree with having a set time for the public comment portion of the agenda.

Announcements

No announcements.

Schedule next BOF meeting

Chair Eng proposed February 16, 2023, for the next meeting time. There was no objection.

Funding, Legislation and Regulations

Brock Tabor (DEC): budget discussion still ongoing, no specific funding for his position, participation limited in capacity, future funding might involve moving GF to GF Match, should not impact his participation, still pursuing legislative solutions for 404 primacy, cruise ship practices, and possibly Tier 3 waters.

Ben Mulligan (DFG): budget is still in the confidential and deliberative process. Not looking at any specific legislation and haven't seen any from other departments that would impact Division of Habitat.

Eric Nichols: with all the grant money out there, do you see anything being done for fish habitat?

Mulligan: still waiting to see what that looks like – not a lot of people asking for projects.

Helge Eng (DOF): fairly consistent GF budget last year, vast portion of budget is dedicated to protecting Alaskans from wildfire, budget request for reorganizing division, last year asked for \$8 million for Planning Level 3, received roughly half, also received \$1 million to reinstate Wildland Firefighter Academy, hoping our ask for this year will be successful, local lumber rating should be done in regulation rather than by statute change, 2022 fire season didn't have any destructive loss of homes, but burned over 3 million acres, science is clear on fire seasons increasing in intensity, severity, and duration, trend of Alaskans moving into the WUI which puts an additional burden on the division, those two factors are the major reason for our budget request, current fire season reflects that.

Eric: are you guys keeping an eye on Southeast regarding destructive insect species and how that might relate to fire activity? Somebody needs to look at that.

Alison Arians (DOF): Senator Kiehl requested funding to pay for DEC position, but it was not approved.

Nathan Lojewski: with increased funding for fire, has there been any discussion of increasing staffing in Southwest? Helge: yes. Alison: we're working with MTNT Village Corporation and BLM to get grants to improve facilities in McGrath. There's also a request in the works for 14 new positions in Southwest. Helge: the Southwest issue has been a problem for some time since they took a significant hit in the 2016 budget. Looping back regarding the budworm, USFS and the Tongass NF might have an interesting perspective.

Ashley Reed-List (DOF): aerial surveys showed 860,000 acres of black-headed budworm compounded by sawfly outbreak.

Eric: I've been in Southeast for 40 years and I've never seen anything this significant.

Ashley: I was trying to emphasize that the budworm is part of the natural process and not a new or invasive species, while recognizing that it is a problem.

Eric: if we lose the spruce in the Southeast, that would be a big impact on the Southeast timber industry.

Ashley: the main treatment for budworm is B.T. application – treatment options are limited at that scale.

Eric: you guys as landowners should be pretty concerned about this.

Helge: what do you suggest we do?

Eric: if we lose the spruce component it could be devastating, like what happened in Washington.

Pending litigation and Roadless Rule

Thad Atkins (DOL): waiting for a final rule to be promulgated regarding repeal of Roadless Rule, which would have major implications for Southeast Alaska. Heard that final rule would be issued sometime in November. State's reaction would be up to the Governor and affected agencies.

Eric: Roadless Rule had a lot of public comment – how do we have a government today where we have these rules that become law without public input?

Thad: can't speak specifically to the Governor's response, but I certainly recognize your comment.

Eric: at what point does this final rule reach resolution and we don't see any additional changes?

Thad: that's an open question and a good one. You get a whipsaw effect, but it remains to be seen what the courts decide on this. It is something we're tracking very closely and hoping we can make some headway.

Eric: so, whatever comes out of this will not be permanent, it will just be another administrative rule? Thad: yes.

Brief aside for introductions, including Trever Fulton (DOF), Steve Connelly (DOF), and Alison Arians (DOF),

Local Lumber Grading Presentation

Jeremy Douse (DOF) presented a slideshow on Local Use Lumber Programs and an Alaskan Potential.

Eric: who are you targeting this program to? You have to take supply into consideration.

Jeremy: this might be more of an issue in Southeast than in the Interior. We're building roads into stands that we manage now. Maybe in Southeast there is a volume issue.

Eric: I'm hearing complaints in the Northeast – they can't do it without certainty and length of timber sales. Three years isn't enough. I think you have an issue that isn't being addressed at all.

Helge: we are not standing up a program but rather providing an avenue where these regulations could be adopted in local areas where there might be opportunities.

Jeremy: that's correct. It's just creating an opportunity – we'll have to see how much of a splash it makes.

Eric: you're creating an opportunity on the market side, but you have to create supply too. I see a huge effort going into the marketing side but not the supply side.

Jeremy: this goes above our authority, some of our biggest producers have been buying our timber sales.

Eric: you're increasing the sale value so you have to increase your supply and increase time for sales. Industry doesn't own the timber, if you want to see this be successful, you have to look at the owner side.

Helge: are you talking about the amount of state forest and negotiated timber sales?

Eric: absolutely.

Helge: we've heard complaints from one person, I see that as a somewhat different issue. This regulation effort is really setting up the vehicle or venue for people to enter into and revitalize the industry, so I'm not sure if I'd want to enter the supply and demand issue.

Eric: why should I go out and take on a seven-year loan when I only have a three-year sale?

Nathan: what happened with Tok and the discussion about offering 10- or 20-year sales for biomass projects?

Alison: I believe that Jeremy is providing adequate timber sales in the Interior. We could have a whole presentation on why we're leaning away from negotiated timber sales. We have never to my knowledge not put enough timber out for sale up there.

Jeremy: we are meeting industry demands in all three of the areas up here.

Helge: it's an issue of the timing of timber sales.

Eric: I left Fairbanks because there wasn't adequate supply. You might need to have a meeting up in the Interior asking if you're doing enough to provide timber supply.

Jeremy: cornerstones like Northland have been making it work since the sixties, but maybe this is a conversation we have to have.

Alison: maybe Eric can provide us some names so we can be sure to invite them to the meeting.

Jeff: I had someone request thousands of truckloads of firewood for kilning. Also contacted by Joe Young asking if we had any timber in Tok.

Jeremy: maybe we need to discuss this at the next BOF meeting. We're laying out sales in the Tok River at Joe Young's request.

Helge: there was a period where the TVSF was closed due to fire activity, maybe that's a contributing factor.

Jeremy briefly presented a slideshow on the Lumber Grading Program. Updates from last presentation: stakeholder meetings occurred, some operators thought this program had some promise, meeting in two weeks with a forestry products rep, meeting with Wisconsin DNR to understand details of their program, importance of having a visual grade program.

Eric: are rural areas going to accept this? I'm concerned about replacing an engineered design with a visually graded product.

Jeremy: that's a good question. If the BIA is accepting of this exemption, I think they can. I think mechanical properties have already been tested.

Priscilla Morris: Western Wood Products Association has already tested all the species.

Jeff: we heard in the landowners meeting the other day that the USFS has \$10 million to build public use cabins – is that going to be spent on local Alaskan timber?

Priscilla: the USFS is working on a strategy to implement a cabin kit using local sources of timber/lumber. A letter might be a good idea to reinforce the desire to use local sources when building these cabins.

Alison: I don't blame the Dry Creek operator for reaching out for more supply.

Jeff: I think the biggest issue might be the length of the sale. Actual size of the units might be an issue/concern, at least that's what I've heard.

Helge noted the new name: Division of Forestry & Fire Protection.

State Forest Management

Tanana Valley State Forest FYSTS

Jeremy gave a slideshow presentation entitled Tanana Valley State Forest FYSTS.

Eric: I'm hearing from you and Alison that you're meeting demand – what are you putting out compared to your annual allowable? As we look forward to increasing demand, do you have the ability to increase sales?

Jeremy: about 10% of annual allowable. I think we will be able to increase sales to meet demand. If we feel like we won't be able to meet demand, we will react.

Jeff: do you have the ability to lay out summer wood?

Jeremy: yes, we have the ability to lay out all-season sales.

Rosie Creak Recreation/Forestry Partnership

Alison gave a short presentation on the partnership.

Eric: I received a letter from Mr. Zachel – is he still upset?

Jeremy: I think he still thinks it was a mistake. He's still not happy but we tried to offer him substitute timber.

Eric: it appears that DOF's response to Mr. Zachel was a little concerning and you guys could have done a better job PR wise. Who has priority going forward – timber harvesters or recreators?

Brian Kovel: what's the plan for the road going forward in terms of the grade dips and/or culverts?

Alison: there are currently no grade dips, culverts might be great, but I don't know what the priorities are.

Regional Forester Update: Northern and Coastal

Jeremy presented a Regional Forester Update slideshow, which covered staffing changes/vacancies, fire and fuels projects, fire season summary, personal-use firewood, timber sales, sale planning, active sales, and forest inventory.

Alison gave an update on the Whale Pass timber sale in Southeast. Noted lots of media interest and public comment

Eric: what are the issues?

Alison: water quality, landslides, noise, traffic.

Eric: it is a state forest where timber activity is the priority – I'd hate to see this get delayed, at some point the State of Alaska has to take a position here. Timing is a huge issue with the Kosciusko sale.

Mental Health Trust exchange update and forestry activity

Jeff Hermanns provided an overview of MHT forestry activities.

Nathan: does the Tok sale to the school cover the cost?

Jeremy: the school is currently doing fuels projects on DMLW lands around Tok.

Tanana Valley State Forest Management Plan Update

Ashley List (DOF) provided an update/slideshow on TVSF Management Plan Revision.

National Association of State Foresters Meeting Update

Ashley List (DOF) provided an update/slideshow on the NASF meeting.

Eric: what I'm most concerned about is State Forestry's stance on shutting down timber harvest on federal forest lands. I see a huge amount of spending but nothing that helps timber harvesters.

Federal and Native Lands Forest Management

Good Neighbor Authority Update: Kosciusko Sale

Greg Staunton (DOF): the purchaser suspended operations in 2021. Reconfigured itself in late 2022 and submitted new operating plan. Footprint is all on federal land.

Eric: GNA contract issue that I discussed with Tim Dabney and I haven't had any response from the State of Alaska on.

Helge: we will look back on the claim offline.

USFS update on forestry activity

No one online from USFS.

Forest Management and Fuels Reduction

Effects of USFS management decisions on SE timber industry

Eric Nichols: two announcements in Southeast that have devastated the industry: USFS stoppage of old-growth timber sales. Industry is walking dead at this point. Industry needs 50 to 70 MMBF/year to remain viable. Last year USFS sold 1.4MMBF in Alaska. In the last several years, four of seven timber operators have gone out of business. No public involvement in decision making. We're in a situation today where we've stopped any investments in new capital equipment. There's no future. How do you bring in new participants? We have customers who are begging for wood, but we just can't produce very much. Trajectory is that the industry is going away in the very near future. Once an industry goes away, it's very hard to get it back. Native Corporation lands will have significant new growth stands available for harvest in the next couple of decades. Grants are not that helpful to the industry.

State of Alaska actions to preserve a timber industry/market

State of Alaska carbon offset projects report

Helge Eng: summarized Anew report on Carbon Offset Opportunity Evaluation.

Eric: Haines is identified as one of the best prospects, but that's one of the rottenest forests I've seen. I'm not convinced that it sucks up as much carbon as this report shows. Also, numbers in terms of possible revenue generation seem very high.

Denise Herzog: I wonder if the report takes into account bug kill die off?

Nathan: if you don't have a timber industry you probably can't have a carbon credit program. There's a lot of public process that will be involved if this happens on public land. You can do carbon credits and timber harvest at the same time, but it's going to take careful planning/management.

Timber Bridge

Helge noted that Eric had already covered the timber bridge topic.

Fuels reduction and wildlife habitat

Sue Rodman (DFG) presented a slideshow on Expanding Fuel Breaks to Benefit Wildlife Habitat. Highlighted a case study on habitat enhancement on the Sunset Fuel Break project near Houston

Nathan: any way we can do fuel breaks in this state, we should do them.

Alaska Forest Association Update

Tessa Axelson (AFA) provided a brief industry update.

Eric: What small operator concerns were voiced during the AFA conference?

Tessa: Need for 10-year negotiated sales and increased/stable supply.

Board Business

BOF Research strategy

Helge asked for board guidance on whether to bring BOF research strategy up at the next meeting. No response.

Frequency of BOF meetings

Helge: Last discussion led to two meetings per year. Is there any desire to change that?

Eric noted the importance of face-to-face meetings and site visits to maintaining the relevancy of the board – encouraged at least one meeting be in-person and involve a field visit.

Brian Kovol seconded that.

Denise Herzog asked how summer meetings might fit into the current biannual October/February meeting schedule?

Eric noted that holding meetings in local areas offer a good opportunity for local public input.

Nathan: are there statutory or regulatory requirements for meeting frequency/location?

Alison: teleconferencing allows us to meet the minimum requirement in statute by having just one meeting per year.

Public Comment

Randy Toman (Whale Pass) read a prepared statement objecting to the Whale Pass timber sale.

Katie Rooks (SEACC) lives on Prince of Wales Island and objects to the pace, scope, and scale of timber sales on POW and to the Whale Pass sale specifically. Notes conflict between what DOF and DFG have stated regarding deer habitat resulting from the Whales Pass sale.

Christopher Tcimpidis (NRCS) would like to be kept in the loop on any observations and expressed support for the lumber regulation effort.

Ed Martin Jr. (Kenai) testified that COVID-19 did a lot of damage to public participation. He also elaborated on his experience and history in timber and wildland fire. He urged the board to use his boots-on-the-ground expertise in future meetings/discussions.

Jeff Hermanns (MHT) noted the huge impact of inflation – particularly fuel cost increase – on the timber industry. He also stated the importance of utilizing the timber industry in conducting hazardous fuels reduction efforts. He advocated for stand replacement in fuels reduction projects. Baffled by why the State of Alaska doesn't emphasize FRPA. Objected to the view that the industry is "on the other side" and encouraged the industry to be viewed as a partner to state agencies.

Wrap-up

Board comments

Alison asked for suggestions for topics for next meeting

- Eric encouraged that the USFS send a representative
- Helge encouraged people to send suggested topics and/or presenters to the board
- Brian Kovol said he would do so
- Helge: longer-term timber supply need
- Denise Herzog seconded that and asked for a Tier 3 waters and/or 404 waters update
- Nathan: Kenai fire and fuels breaks (almost 40 miles of breaks)
- Helge: update on fire activity predictions

- Eric agreed, and asked for information on what would happen in the event of a fire in SE Alaska

Bill Morris: Would appreciate a brief summary of issues and lessons learned from the Rosie Creek Rec Trail. He also noted the value of face-to-face interaction and field visits. Concurred with Eric's comments about timing and duration of timber sales and encouraged that be a future board topic of conversation.

Denise Herzog: No comment

Russel Byerly: No comment

Mike Post: Looking forward to in-person field trips.

Eric Nichols: State needs to take another look at land classifications to find more land available for consolidation and for timber harvest, especially in Southeast. Don't hold up the Whale Pass sale if there's noncontroversial parts that can go forward.

Nathan: you can't do forestry without an industry. In areas where we don't have a timber industry, it's far more expensive to achieve forestry objectives/projects.

Brian Kovol: there are ways to mitigate issues and move toward a more vibrant industry in Alaska.

Helge agreed on the field tours, recreation on state forests will always be a touchy subject and how will we manage that going forward. Whale Pass sale is an example of how we need to advertise the timber industry and show how it's honorable.

Eric Nichols suggested we revisit state land classification – more land in GU than non-GU. What's it take to change those, particularly in southern Southeast?

Adjourn

The Board adjourned at 1:19 pm.