

**Minnesota Forest Resources Council**  
**Minutes**  
**Cloquet Forestry Center - Cloquet**  
**15 July 2009**

**Members Present:** Al Sullivan, Wayne Brandt, Bruce Cox, Alan Ek, Dale Erickson, Rob Harper, Joel Koemptgen, Bob Lintelmann, Gene Merriam, Dave Parent, Shawn Perich, Kathleen Preece, John Rajala, Mary Richards, Bob Tomlinson, Mike Trutwin (alternate for Bob Oswald)

**Members Absent:** Shaun Hamilton, Bob Oswald

**Guests:** Jon Nelson (MN DNR), Bob Krepps (St. Louis County), Mike Kroenke (SFEC), John Bathke, Mark Lindquist (MN DNR), Steve Betzler (MN Power)

**Staff:** Dave Zumeta, Lindberg Ekola, Calder Hibbard, Leslie McInenly, Rob Slesak, Clarence Turner, Erin Baumgart (student worker)

**Chair's Remarks**

Al Sullivan opened the meeting with a round of introductions. He thanked Mike Trutwin for representing Bob Oswald and provided an update on Bob, who was in the hospital for this meeting.

In response to Mike Kilgore's request that the MFRC offer suggestions for development of the Lessard-Sams Outdoor Heritage Council's (L-SOHC) 25-year strategic plan, Al has established an *ad hoc* vision committee to collaboratively develop forest recommendations with the Minnesota Forest Resources Partnership (MFRP).

**Public Input/Communication to the MFRC**

None.

**\* Approval of the 20 May 2009 Meeting Minutes**

Wayne Brandt suggested the following revisions to the 20 May 2009 MFRC minutes:

- Under **Members Present:** "alternate for" be used instead of "in lieu of" to designate Council member alternates in attendance
- Under **Approval of 20 May 2009 Meeting Agenda:** "Dave Zumeta suggested, and the Council adopted, an amendment..." instead of "Dave Zumeta made a friendly amendment...".

Al Sullivan also noted a spelling error on page 2.

Joel Koemptgen moved to approve the 20 May 2009 minutes as amended. Dave Parent seconded the motion. *The minutes were approved as amended.*

**\* Approval of the 15 July 2009 Meeting Agenda**

Al Sullivan noted that Bob Tomlinson should be listed, instead of Dave Epperly, in association with the 1:30 pm and 2:15 pm agenda items. Alan Ek moved, and Kathleen Preece seconded, to approve the 15 July 2009 meeting agenda. *The agenda was approved as amended.*

### **Executive Director Remarks**

Dave Zumeta stated that all FY 2009 invoices are due in the MFRC office today. He asked Leslie McInenly to provide an update on the 2-day MFRC meeting in September. Leslie reported that she has been working with accounting staff in the DNR central office to set up the meeting and will send out a notice with meeting details to Council members as soon as a meeting location is established. She thanked Mary Richards and Bob Lintelmann for their work in pulling together the tour and evening presentation. Mary described plans for the September 24 field tour at Maplelag resort.

Dave invited Mike Kroenke to mention the upcoming 100-year anniversary celebration at Cloquet Forestry Center and also describe upcoming events on the Sustainable Forests Education Cooperative calendar. Mike provided a brief summary of the events.

### **Committee Reports**

#### *Personnel & Finance*

There has been no P&F meeting since the last Council meeting. The committee will meet next Thursday.

#### *Site-level*

Dave Parent reported that the Site-level Committee update was provided in the Council mailing. He noted that progress on the riparian science economic analysis will occupy most committee time in the near future. Dave recommended Council members contact Calder or Rob for additional information.

#### *Landscape Planning/Coordination*

Lindberg Ekola provided a brief update on Landscape Committee activities, highlighting a recently-funded boreal forest project with Peter Reich (UMN). The project is in early stages but will collaborate with the MFRC and regional committees and will be a positive resource for the northern committees. The committee has also continued discussion about our relationship with the L-SOHC. Regional committees continue to work on 25 year plans and also opportunity area projects.

#### *Forest Resources Information Management*

Rob Harper reported that a fair amount of committee time has been spent discussing forest inventory work. The committee has been working quite quite closely with Alan Ek to clarify work of the Interagency Information Cooperative (IIC) and has received updates on climate change research and information. Recent committee work has led to broader discussions regarding a potential update of the committee charter and an examination of the committee's role on the MFRC. Kathleen Preece will host an August meeting of the IMC to discuss these broader topics.

Dave Zumeta suggested members review the text on page 2 of the Landscape Committee update. The boreal forest project is a major opportunity relative to northern landscape region planning efforts.

### **Written Communications**

None.

**\* Committee of the Whole: Approval of draft letter from MFRC Chair to DNR Commissioner about site-level timber harvesting monitoring schedule**

Rob Slesak presented a letter that he had drafted in response to discussion at the May MFRC meeting regarding the frequency of site-level monitoring. The letter recommends a biennial monitoring program with regularly scheduled reports.

Wayne Brandt wasn't sure the statute needs to be amended and suggested that the last paragraph on the first page be amended to delete lines after "...frequency" in the second sentence and replace them with the following text: "with a report being delivered to the MFRC on or before February 15 of even numbered years". Bob Tomlinson agreed with Wayne's comment, adding that any requested legislative change would ultimately be a decision made by the Commissioner. Dave Zumeta voiced his agreement.

Wayne moved to amend the letter as suggested. Alan seconded the motion. The letter was revised and Wayne moved to approve the amended letter. Alan seconded the motion.

Gene stated he is concerned that we raise an issue of credibility with the failure to meet the intended goals. He asked whether frequency has been an issue raised by 3<sup>rd</sup> party auditors or, he wondered, were we questioning ourselves? Dave Zumeta responded that one of Wayne's former Minnesota Forest Industry (MFI) members repeatedly came to MFRC with concerns regarding the inadequate frequency and regularity of reports, which are required in order for the industry to pass muster with 3<sup>rd</sup> party certification. There have also been concerns from environmental members and stakeholders. Bob Tomlinson agreed that industry representatives are the ones who have brought this issue to the attention of the DNR. Wayne stated that credible monitoring is the only way to move down the road with a voluntary approach. He noted that a biennial approach seems to make sense.

The Council voted on the motion. *The amended letter to Commissioner Holsten was approved.*

#### **Legislative mandate to MFRC to develop a carbon sequestration forestry report**

Wayne introduced discussion on an upcoming carbon sequestration report that the Council has been mandated to produce by January 15, 2009. The Minnesota Climate Change Advisory Group (MCCAG) came up with a host of recommendations and strategies for the state to reduce the emissions of greenhouse gases and identified additional strategies to sequester those gases, particularly carbon. Wayne's MFI members looked at the recommendation that the state should plant a million acres of new trees and drafted/introduced a bill charging the Council with the responsibility of reviewing that recommendation to determine the actual acreage that could be planted (and additional details such as where to plant, what tree species to plant, and the availability of planting stock). The bill was subsequently adopted in conference committee.

Dave Zumeta stated that he anticipates the report can be developed by MFRC and DNR staff plus some outside contract work. Clarence Turner will serve as project manager. Dave has been working to find funding to support the work. Alan Ek provided \$10,000 from IIC funding; the MFI board has indicated they will provide up to \$10,000 and Minnesota Power will contribute \$5,000. With this support, Dave will set up a contract with UMN-Faculty Dennis Becker and Steve Taff, both of whom have been working on related research. Dave commented that when MCCAG came up with this forestation recommendation, it was met with a fair amount of skepticism from UMN researchers. Some faculty members collaborated on a critique and concluded the actual realistic available acreage was a whole lot

lower. Dave and Clarence will engage some of those critics in development of this report. He noted that Steve Taff is a key part of this as an agricultural economist.

Mary Richards commented that Dave Johnson, MN DNR, has indicated he hopes the Council will support work on private lands. Wayne responded that the intention of the study is to look at all lands. Clarence stated that while the MCCAG made a number of recommendations regarding forestry, much of the burden for carbon reductions through forests fell on the million-acre afforestation. Dave suggested the definition of afforestation is a bit misleading as MCCAG recommendations focused on identifying land that had been previously forested in presettlement time. Joel Koemptgen stated that prairie interests need to be considered and he cautioned this could be contentious among interest groups. Dave responded that putting trees into prairie areas is not the intent and will be avoided.

Clarence distributed a project prospectus and added that the report will be developed in time to meet the January 15 deadline. The assessment will focus on two questions: 1) How much land in the state is not currently in forest but could reasonably be forested, and where is that land? 2) On how much of that land might it be economically feasible to grow forest? Discussion about the project approach and how the recommendations will fit into the rest of the MCCAG implementation recommendations ensued.

Clarence said that meeting the million acres referenced in the legislation will be a challenge. He reviewed the basics of the report to the legislature, including a summary of the number and ownership of acres available for planting, the types of native species best suited for planting, the availability of planting stock and potential costs, and recommendations on implementation. John Rajala asked if we want to get into species diversity versus single species. Clarence responded that his preference would be to list appropriate species and not go into detail, as that is a site-level management consideration.

Rob Harper noted that there is a danger in viewing forests only as a carbon sink or accumulator. How successful will planting a million acres be with respect to positioning Minnesota to deal with all of the management uncertainties associated with climate change? A more robust discussion is needed. Gene agreed, stating that we are directed to submit a report after viewing the MCCAG recommendation and should include the list provided by Clarence at a minimum. Wayne agreed we could go beyond the minimum, but only given the time and money available. Dale Erickson asked whether the potential cost will include planting costs, land costs and opportunity costs. Wayne said all costs should be included.

Dave also noted that the definition of a forest must be considered...is it one that that will grow to 40 or 100 years old or we looking at some of the "forest" being agro-forests and woody biomass crops on farmland? What is realistic? John stated that he feels it is really important for the MFRC to be a player in this discussion. It is also very important that we align ourselves with the best science.

Al stated that we can go as far as we need to given the constraints of time and money. He asked whether there was any pushback to the use of acres as a reasonable measure. John responded that it is entirely appropriate to answer the question with a narrow answer due to the way the question was posed, but he stressed we should make it well known that the MFRC would like to be a part of a long-term, scientifically-based discussion.

Rob stated he is struggling with the level of detail we provide to legislature. He feels it is our job to advise on strategic issues and perhaps clarify what some of the next strategic questions/steps should be and help them understand this is not a complete picture.

Shawn Perich asked about the number of acres currently planted on an annual basis. Bob Tomlinson responded that DNR artificially reforests about 15,000 acres per year. Alan added that the total is approximately 30,000 acres statewide for all ownerships. Eighty percent of the acreage harvested is regenerated naturally.

Clarence will email a link to the MCCAG report and requested comments on the draft project outline.

### **State of Minnesota strategy for use and protection of forest biomass resources**

Dave Zumeta introduced Mark Lindquist, MN DNR Bio-fuels Program Manager. Mark, Dave, Calder and Anna Robertson (MN DNR) have been working on a bio-economy strategy at the direction of the Governor's Forestry Sub-cabinet.

Mark reviewed directions the state is taking with biomass issues. He reviewed the DNR mission and the biomass policy framework, which has a focus on healthy, resilient forests providing abundant wildlife, diverse plant communities, and quality wood resources supporting diverse value-added industries.

Mark described the amount of energy provided by woody biomass within the state, noting that the forest resource base is large but not "vast". He reviewed the annual biomass potential of various woody biomass sources and discussed alternative biomass utilization scenarios and possible intermediate products such as wood pellets, methane, and electricity. The development process for a woody biomass strategy is complex because of diverse potential resources, conversion technologies, and end markets.

Mark reviewed the comparative advantages of different energy markets and their different possible sources. The following principles will guide development of a bio-energy strategy for the state: healthy forests, contribution to environmental goals, contribution to economic development goals, efficiency of biomass use, and expanded agro-forestry opportunities.

Mark commented that there are issues with the supply chain. We need to pay enough for the wood. We also must consider the biomass harvest guidelines, more fully utilize slash, work to improve forest health, improve timber stands, conduct ecological restorations, reduce fuel loads, modify timber sales practices, and leverage federal policies. Dave Parent cautioned against looking at forests as merely biomass energy. Forests are not a great source of energy... they are a great source of many things.

Joel asked whether there has been any consideration given to using Minnesota biomass as fuel for transportation. Mark responded that there have been a few gasification initiatives considered (e.g. Mascoma Co. was interested in using black liquor as a feedstock and SunOpta is partnering with Central Minnesota Ethanol Cooperative). The challenge is that they want high quality fiber and that creates competition.

Mark is hoping to work with stakeholders this summer and anticipates some pieces of the strategy will be developed by the next sub-cabinet meeting on September 1.

John Rajala asked how many years we are away from commercial implementation of conversion technologies. Mark responded that there is a lot of capital flowing right now and that SunOpta could conceivably break ground later this year.

Dave Parent asked Mark to touch on how forest resources will be protected with this strategy. Mark responded by highlighting the importance of understanding the resources available, the scale, and awareness of biomass harvest guidelines. Dave Zumeta mentioned a study conducted by Dennis Becker that will identify how much woody biomass is really available on a sustainable level based not only on physical supply but also on environmental and economic considerations. He noted that the report will be coming out this fall.

John added that wood must compete on its true costs and is disadvantaged when compared to coal, for which true costs are not considered.

#### **Update on DNR organizational realignments and subsection forest resource management planning**

Bob Tomlinson distributed a handout regarding reorganization efforts within DNR. There are currently eight divisions but the Department is moving toward a model with six divisions. DNR will be merging Parks and Recreation with Trails and Waterways and also will merge Waters with Ecological Resources. The two main goals of the Parks and Trails merger are to meet outdoor recreation needs and address declines in outdoor recreation participation. The new division will be a *gateway* for outdoor recreation in Minnesota. The Parks and Trails transition will be complete by January 2010.

By integrating water, biodiversity, and ecosystem services into one division, there will be a new focus on the shifting energy economy, changing climate, stresses on water and special resources. The strategic approach of this division will be to manage watersheds and ecosystem services. The new division will be created by July 2010.

Wayne stated that he has heard there may be further realignment of region and area boundaries. Bob responded that the divisions have been asked to identify what it would take to be aligned fully with region boundaries (currently, division area offices may overlap regional boundaries). Wayne asked whether the Commissioner's office has considered redrawing regional boundaries. That recommendation has been forwarded to the Commissioner's office.

Next, Jon Nelson provided an overview of the Subsection Forest Resource Management Planning (SFRMP) process, an update on the status of plans, and reviewed SFRMP integration and communication with the MFRC regional landscape plans.

SFRMP plans are a step down in scale from MFRC landscape plans. They specifically focus on DNR administered lands (4.9 million acres) and on the vegetative part of management (not trails, roads, or fire). The SFRMP process was developed because of the needs for new management plans in many forestry areas, improving public awareness/involvement in DNR forest management planning, and an interdisciplinary approach. Subsections were used for planning because area boundaries tend to change and it makes sense ecologically. Department-level planning is key because it includes all divisions, has a

documented process with public review and input, aggressive time schedules, and is adaptive. The Department aims to complete the planning process for each section within a year/year-and-a-half.

The plans provide a long-term strategic direction (50-100 years) and address cover type, age-class, spatial considerations, and proposed treatment levels by decade. Benchmarks are set to track progress. Discussion regarding the priority on conifers versus hardwoods (and lack of progress) ensued. Also discussed were problems associated with planning regarding climate change and deer constraints on pine regeneration.

John Rajala asked about the relationship between SFRMP and National Forest planning. Jon responded that the state and federal planning teams are aware of each other's plans. There have been some attempts to look at where close sites would be managed similarly. Dave Zumeta added that he was involved in the development of the National Forest plans on behalf of DNR and stated that there was extensive opportunity offered by USFS for DNR involvement. Rob Harper reported that the rotation time on the plans are different (USFS is 15-20 years). The current Chippewa NF plan heavily references the MFRC landscape plans but is less clear on SFRMP. Jon stated that the SFRMP are on 10-year cycles.

Jon also spoke about the interaction of SFRMP and MFRC planning efforts. DNR staff has been involved in MFRC planning. The challenge is to keep DNR field staff engaged at the implementation level. Lindberg Ekola distributed a handout of landscape regions and their relationship with SFRMP plans.

### **Forest harvest-level analysis in Minnesota**

Al Sullivan introduced Keith Jacobson, Program Leader - DNR Utilization and Marketing.

In April 2008, the DNR took the lead on a new forest harvest analysis. The analysis is complete pending the Commissioner's review. Keith stated that the goal of conducting the analysis was to provide information to help assess future timber yields and explore the feasibility of increasing statewide harvest to 5.5 million cords per year. He provided background on the development of previous statewide harvest estimates, including efforts for the Generic Environmental Impact Statement, the Thunderhawk EIS and other DNR analyses. The previous DNR analysis was good but had limited review and newer techniques are now available. The GEIS was comprehensive but dated and the Thunderhawk analysis is good but focused only on certain species.

The focus of the analysis is largely biological (i.e., potential yields rather than social, environmental, or economic assessments) but the group did consider the MFRC guidelines and ecological considerations. The analysis examined estimated harvest level impacts across ownerships based upon changes to several selected forest management practices and policies.

Key findings included recognition that 1) a 5.5 million-cord harvest is attainable but would require improved markets and increased investments and 2) specific opportunities for raising harvest levels include intensified thinning, addressing market and process constraints and addressing regeneration strategies. Keith added that the current analysis is not a redo of the GEIS and was not developed to dictate management, nor is it the final word.

Recommendations for future analyses include: a look at impacts on important ecosystems services; an assessment of the information and assumptions related to private lands timber availability; economic analysis including impacts of high value-added products, and integrating and mitigating increased bio-fuels production. In conclusion, Keith stated that maintenance and development of markets as a means to accomplish forest management is critical; there are forest resource utilization opportunities in Minnesota; the analysis may be a tool used to help make the case for critical forestry investments; and, maintenance of DNR capacity to do follow-up analyses is critical. Keith will e-mail a summary of the analysis to the Council.

Keith was asked whether he examined the sensitivity of volume to price (No. It is more of a potential than a given) and whether end use was considered (Not directly, the model looks for volume). Wayne commented that the USFS Forest Inventory Analysis (FIA) estimated growth at 7 million cords a year (today it is about 8.6 million). He asked where the additional cords would go if harvest was at 5.5 million cords. Keith stated he would need to ask Christopher Schwalm, the former DNR modeler who worked on the analysis. Mike Trutwin inquired about the time needed to get to a 5.5 million-cord harvest. Keith responded that that is more a market question than a resource question, but he noted the analysis had a 50-year time horizon.

John Rajala spoke about the pressures on industry from long-term globalization. People are starting to realize that the marketplace is a tool for forest management, but what if those activities are not going to be available at the price levels we used to rely upon? Keith responded that if folks are given credit for using long-lasting carbon, they may pay more to value ecosystem services. There are also opportunities if the local wood market is developed to the point of offering significant points for a green building score. John responded that developing the local wood market has been a big focus of his for the last 10 years. He is starting to fear that "local" may not sell. He added that if the stumpage supplier wants to ride out lower prices, a backlog of forest management is created and industry is hampered.

Bob Tomlinson commented that a benefit of this analysis is to show folks that wood is sustainable. He added that land ownership has changed since the GEIS was conducted and asked whether the wood will be available given parcelization. Keith responded that we need policies that foster timber management utilization on private lands.

#### **Public Communications to the MFRC**

None

#### **MFRC Member Communications**

Shawn Perich has been representing the Council on the Moose Management Advisory Committee. Final committee recommendations will be presented to the DNR next month. The primary component of interest to MFRC is a recommendation to retain winter and summer thermal cover.

John Rajala commented that this was an excellent meeting.

Alan Ek moved to adjourn the meeting. Mary Richards seconded. The meeting adjourned at 3:00 pm.