

Minnesota Forest Resources Council
Meeting Minutes
Cloquet Forestry Center
November 30, 2005

Council Members Present: Al Sullivan, John Stauber, Bob Stine, Tim O'Hara (alternate for Wayne Brandt), Dave Epperly, Jan Green, Shaun Hamilton, Dave Parent, Bruce Cox, Kathy Manteuffel, Bob Oswald, Bob Lintelman, Paige Winebarger, Dick Walsh, Shawn Perich, Kathleen Preece

Absent: Jim Sanders, Wayne Brandt

Guests: Terry Weber – MN Forest Resources Partnership, Duane Lula – USDA Forest Service, Mike Miller- USDA Forest Service, Rick Horton – Ruffed Grouse Society, Dick Rossman – MN DNR, Bob Kellerher – Minnesota Public Radio, Steve Betzler – MN Power, Nancy McReady – Conservationists with Common Sense, Dean Current - University of Minnesota, Initiative for Renewable Energy and the Environment, Gary Cerkvenik – Laurentian Energy Authority, Louise Levy – Sustainable Forests Education Cooperative, Bob Fenwick – Cook County Commissioner, Tom Martinson – Lake County Land Commissioner, Clair Nelson – Lake County Commissioner, Dennis Fink – St. Louis County Commissioner.

Staff: Dave Zumeta, Mike Phillips, Jenna Fletcher, Clarence Turner, Cynthia Osmundson, Dave Miller

Chair's Remarks

Al Sullivan welcomed Dave Epperly as the newest MFRC member. Governor Pawlenty recently appointed Dave to the Council as the DNR representative, following Dave's selection as Director of the DNR, Division of Forestry. Al also welcomed Cynthia Osmundson. Finally, Al thanked Dave Miller for more than eight years of service with the MFRC.

Al announced that Jim Sanders was unable to attend this meeting due to his required attendance at a Forest Service meeting at the Regional Office in Milwaukee. Jim's alternate, Chippewa National Forest Supervisor Norm Waggoner, is also attending that meeting. Jim Sanders had planned to recuse himself from the inventoried Roadless Area vote. Jim had asked Superior National Forest staff members Duane Lula and Mike Miller to attend this meeting to provide technical answers as needed during the Roadless Area action item.

Public Input/Communications to the Minnesota Forest Resources Council

None

Approval of September 21, 2005 Meeting Minutes*

Paige Winebarger noted that she did not attend the September 21st meeting, her alternate Tom Duffus attended instead, and so the minutes should be revised. Bob Oswald moved to approve the meeting minutes with this correction. Jan Green seconded. The motion to approve meeting minutes was unanimous.

Approval of November 30, 2005 Meeting Agenda*

Bob Stine moved to approve the November 30th meeting agenda, and Shaun Hamilton seconded. The motion carried.

Executive Director Report

Dave Zumeta reported that the Personnel and Finance Committee approved MFRC's 2006 workplan and budget allocation. Copies are available upon request. Also, a draft version of MFRC's Annual Report is available for comment by MFRC members. Comments are due by December 6th. Dave reported that Jenna

Fletcher is hiring a ¼ time office and information specialist to assist in the office. 2006 MFRC meeting dates are January 18, March 15, May 17, July 19-20, September 20 and November 29.

MFRC Committee Reports

Personnel and Finance

Al Sullivan (Committee Chair) reported that the Personnel and Finance (P & F) Committee met on September 23rd. The committee approved MFRC's 2006 workplan and budget. The Committee also discussed a request for a letter in support of The Nature Conservancy's application to the Laura Jane Musser Fund to provide financial assistance for a public relations initiative around the Forest Legacy Partnership. The committee agreed that Dave Zumeta would write a letter of support. The committee also approved a proposal to hire a ¼ time information specialist. Also discussed was the protocol for posting MFRC and committee meetings to the EQB Monitor.

Finally, P&F discussed a funding request from Minnesota Forestry Association to form a workgroup focused on improving the Sustainable Forest Incentive Act. Given MFRC's flat budget, the committee decided to not provide funding for this project. Al noted that MFRC will participate, and therefore will be providing in-kind support.

Site Level

Dave Parent (Chair) handed out an update of the site-level program's activities. Dave also announced the availability of the new guidebook. Finally, Dave talked about his hope that MFRC will rethink the original goals set for implementation of MFRC programs.

Landscape Planning/Coordination

Bob Stine (Chair) reported that the Landscape Planning/Coordination committee did not meet since the last MFRC meeting, but will meet Monday December 5th. Bob handed out a written update of regional landscape committee's activities. Dave Zumeta highlighted the positive contributions of Terry Weber - Minnesota Forest Resources Partnership - in getting coordination work started in the regional landscapes.

Forest Resources Information Management

Jan Green (Chair) reported that the Information Management Committee met on September 26th. Jan handed out a meeting summary. Jan noted that the GEIS Report Card study is done, and is available via a link on MFRC's website. Jan reported that Mike Kilgore shared his research results about parcelization trend in forests. Jan added that the committee is planning to examine the broader landscape level issue of biomass wood harvest, such as where it is happening and what are the cumulative biological and ecological effects.

Written Communications to the MFRC

Dave Zumeta shared a letter from Terry Weber - Minnesota Forest Resources Partnership - requesting his organization's participation in MFRC's biomass guideline development. Dave then shared MFRC's response letter. Third, Dave provided a letter from Terry Weber informing MFRC about a project in the North Central Landscape that will examine deer browsing impact on forest regeneration. Fourth, Dave shared a letter from Steve Early, Boise Paper, extending an offer to the MFRC to tour the Boise mill during the July 2006 meeting. Lastly, Dave shared a letter from Conservationists with Common Sense.

Committee of the Whole: Biomass Energy from Forests and Brushlands

Biomass energy production from forests is one of MFRC's five policy topics identified in July 2004. Al Sullivan pointed out that much has occurred since then, including new legislation, progress on the Laurentian Energy Authority's (LEA) project, newly emerging biomass energy projects, etc. Specific to the MFRC, new legislation enacted this year directs MFRC and the DNR to develop forest and brushland guidelines, respectively, by July 1, 2007.

Dean Current - University of Minnesota began the discussion by sharing a list of 35 energy-related biomass R&D projects based in Minnesota. He highlighted four projects on this list. The first project titled “*Research assessment for the development of principles for the removal of woody biomass from forests and brushlands*” will help MFRC and DNR develop science-based biomass guidelines by conducting a biophysical assessment and an economic review. The study will also develop transport models at 50 and 75-mile radii. He noted that the researchers are working with industry and loggers to make this more than academic work in creating the models. The project’s funding (\$201,000) was provided by the Initiative for Renewable Energy and the Environment (IREE).¹ The second project is “*Development of existing biomass resources through education for key supply bottlenecks*” which will include an inventory of slash/woody debris by the DNR and creation of training for loggers, foresters and landowners. The third project Dean highlighted examines biomass utilization in the Superior National Forest (funding provided by Forest Service). The fourth project, funded by IREE, is examining carbon stored in Minnesota, and developing a framework to capitalize on emerging carbon credit trading.

Dave Parent is interested in the energy balance question² within the economic review, and wants the MFRC to weigh in on the tradeoffs between coal, biomass, natural gas, etc. Shaun Hamilton asked if the sources of the biomass are third-party certified, which would be attractive to “green” customers. Gary Cerkenik, Laurentian Energy Authority, answered that currently the source of the biomass is not third-party certified. Jan Green asked how MFRC will obtain updates on the progress of research and development activities. Dean cited a website where research summaries are posted. Jan further asked who has the responsibility to maintain the list of all biomass energy generation projects statewide. For example, the Fond du Lac band has recently proposed a new biomass energy production project, and the Pembina Trail would like to test biomass gasification including sawmill residue. Jan Green feels that a single organization, potentially MFRC, should examine these projects *before* development to ascertain their biological impacts. Dean responded that no single organization is currently playing this role.

Next, Dick Rossman was asked to describe the timing and process for MFRC’s development of biomass guidelines. Dick clarified that the MFRC forest and DNR brushland biomass guidelines will be developed via one team and one process, not two. Dick anticipates that these new guidelines ultimately will be another chapter within the existing guidelines book, but acknowledges that biomass guidelines are a slightly different animal. Dick clarified that the guidelines will not address **whether or not to harvest** the biomass, but will provide recommendations once the decision to harvest has been made. Dick is currently forming a technical committee to evaluate the research being compiled by Dean Current’s project. Dick handed out a draft list of proposed committee members and discussed this new technical committee’s operating protocols – open meetings, report to the Site-Level committee, etc. Tim O’Hara asked how the proposed list of committee members was developed. Dick responded that they looked at the technical expertise and a cross-section of types of organizations. Tim noted that the members seem public agency-focused, and suggested that industry company involvement could add a lot. Dick had asked for industry representation through MN Forest Resources Partnership, but no industry folks volunteered. Jan noted that the definition of brushland must be clear in order to separate natural brushlands from failed forests that are currently brushlands.

Shaun Hamilton expressed his hope that the landscape context is recognized in the new biomass guidelines. Dick Walsh suggested that realistically, it is not economically feasible to conduct lowland brushland harvesting, since the going rate is far below the \$12-15/dry ton cited. Dick Rossman noted that DNR now pays folks to manage the brushlands, and that it is not a large leap to ask them to harvest it. Dick Walsh disagreed.

¹ Note: IREE is funded by \$20 million being provided by Excel as part of an agreement with the MN Legislature to allow continued storage of nuclear casks at Prairie Island.

² Energy balance analysis would examine how much energy it takes to extract biomass out of the forest and transport it, and then compare the total energy cost to the energy produced.

Bruce Cox noted that Clearwater County has received two requests to use logging slash, and wants guidelines.

Dick Walsh mentioned that a Michigan company has developed logging equipment for woody biomass utilization. Dick offered to provide practical advice to Dick Rossman's technical team based on his company's experience in grinding/chipping since the 1980s. He noted that he heats his company's buildings with wood chips.

Finally, Gary Cerkvenik provided an overview of the Laurentian Energy Authority (LEA) biomass energy project. Two coal-powered plants have been in operation in Virginia and Hibbing for over 100 years. Together they employ 72 people and have a \$26M economic impact. The municipalities formed the Laurentian Energy Authority and obtained Legislative changes, obtained an MPCA permit, and obtained approval from the MN Public Utilities Commission to generate 25 megawatts from wood biomass. Construction has begun. The goal is to produce energy by December 31st 2006. The original plan was to use "closed loop" (hybrid poplar) as a primary source of biomass, but concerns about reliance on single source and on plantations were a concern, so the plan has been broadened to include "open loop" sources such as harvest residue and harvesting of DNR brushlands as additional sources of biomass. As part of the new legislation, LEA committed \$150K to the MFRC to develop biomass harvesting guidelines. LEA has begun to establish hybrid poplar plantations in two locations, and a nursery is being developed. Bob Stine asked the percentage mix between closed and open loop sources. Gary said that the current plan is for 10,000-15,000 acres of plantations to produce 15-30% of woody biomass source. A forest manager has been hired to manage the plantations that are on leased land. The forest manager expects to harvest every five years, for an estimated yield of 3 tons/acre/year. Gary said that the use of the woody biomass will reduce the percent coal burned down to a maximum of 25% over the next 20 years.

Dick Walsh asked about the range of wood sources arriving at the central woodyard. Gary answered that one plantation is 99 miles from the plant, and that LEA is trying to keep the sources within 100 miles for closed loop, and 50-75 mile radius for open loop. Gary also said that Minnesota statutes are clear that LEA cannot buy roundwood that would put them in competition with forest products company buyers.

Al summarized that this is an important topic for the MFRC to continue to monitor. Since biomass is a growing source of energy, and as fuel costs increase, this topic is important for us to proactively monitor.

Proposed Resolutions Regarding Advice to Governor Pawlenty on Superior and Chippewa National Forest Inventoried Roadless Areas*

Al Sullivan began the discussion by clarifying that Jim Sanders was unable to attend this meeting due to his required attendance at a Forest Service meeting at the Regional Office in Milwaukee. Jim's alternate, Norm Waggoner, Chippewa National Forest Supervisor, was also required to attend that meeting. However, Duane Lula and Mike Miller will address any technical questions. Jenna Fletcher first provided a summary of prior MFRC meetings' discussions and public input, and provided other background information including an overview of the three proposed resolutions. MFRC member discussion ensued. Jan Green asked how the third from last paragraph of Resolution #1 is different from the second paragraph of Resolution #3. Shawn Perich said that the language in resolution #3 says "**MFRC urges** Superior National Forest....", vs. Resolution #1 suggests the **Governor requests** the USDA Forest Service...". Paige Winebarger asked what the advantage of having MFRC urge SNF vs. having the Governor do so. Shawn Perich responded that this language is meant to address the tendency in the past for the Superior National Forest to not respond to local input.

Al Sullivan asked for clarification of whether Resolution 3 would be appropriate under the Federal Advisory Committee Act (FACA). Jan Green added that it is her understanding that MFRC, as an agency, cannot advise the Superior National Forest unless we get an exemption under FACA.

Dave Parent noted that the Governor's question does not get addressed in Resolution #3.

Shawn Hamilton noted that the third from last paragraph of Resolution #1 might need to be more specific: instead of “administrative action” should it say “plan amendment”? Duane Lulu clarified that “plan amendment” would be more specific. There are three levels of plan amendments: 1) significant, 2) non-significant and 3) revisions to correct errata. In the case of addressing the Vegetable Lakes situation, the significant plan amendment is likely the right scale, and it would require an environmental assessment. Bob Stine asked who determines what level of plan amendment will be utilized. Duane answered that the SNF Supervisor and the regional forester would utilize criteria to make that determination. Tim O’Hara asked who or what can initiate an amendment process. Duane answered that Forest Service staff can initiate it if they see controversy or error.

Jan Green noted that roadless areas can contain backcountry recreational trails, but feels that the supply of opportunities for this specific recreational experience is not sufficient. She handed out statistics regarding recreational opportunities statewide in all national forests.

Bruce Cox would like to see MFRC request that the Governor honor the request of the Cook, Lake and St. Louis County boards and the Grand Portage band to have a direct dialogue with them. Bruce said that the composition of MFRC includes only one local unit of government represented (himself representing county land management), and doesn’t feel this is sufficient to meet the intent of the Roadless Rule that specifically seeks local input.³

Shawn Hamilton asked if taking “administrative action” constitutes a petition under the Roadless Rule. Duane Lula responded no, a request for administrative action follows the normal process – it first goes to the Forest Supervisor, then the amendment would go through a public process and would be litigable.

Dave Epperly asked Duane Lula whether there are any non-Federal land inclusions within the Cucumber Lake IRA, and what are the access provisions. Duane said that by law, the Forest Service must provide a permit process that allows for inholders to gain access, even in IRAs.

Bob Oswald said the petition should cover all 32 IRAs. Mike Miller corrected him by clarifying that the Roadless Rule says each state can list just those IRAs for which a petition for state rule-making is being sought. Dave Parent contended that the advice we give to the Governor might not need to list specific IRAs. Bob Stine said he agrees in theory, but feels it would fall short of what the Governor asked for. The Governor has no other state organization to request additional information support re: specific IRAs.

Shawn Perich noted that, regardless of our advice whether to petition or not, MFRC should advise the Governor to seek further input from local and tribal interests.

Al Sullivan then asked for county government input. Bob Fenwick, Cook County Commissioner, served as a spokesperson for: 1) Clair Nelson – Lake County board chair, 2) Dennis Fink – St. Louis County Commissioner, and 3) Tom Martinson – Lake County Land Commissioner. Bob Fenwick applauded the work of MFRC to involve local communities, then noted that the MFRC has been put in a difficult spot. However, MFRC has done well in obtaining local government input, but to do so is beyond MFRC’s purview. Bob feels that the Roadless Rule implies that the Governor should *personally speak to* local governments at the moment

³ Federal Register, May 13, 2005 Volume 70, No. 92 (page 25657) states: “*The Department (of Agriculture) envisions that Governors considering submitting a petition to the Secretary for State-specific rulemaking would request the Forest Service to provide the State with existing information and management requirements for their review. After collaborating with local and Tribal governments, stakeholders, and other interested parties, the Governor may or may not then decide to submit a petition...*”

of decision, not just during the fact-finding stage. The fact-finding has taken place. Bob said that the position of St. Louis, Cook, and Lake Counties has not changed since the last MFRC meeting; they feel that the Governor should fulfill the requirement of seeking input from representative governments. Therefore, the county representative requests that the MFRC include a provision in the advice delivered to the Governor that urges him to meet with the local governments.

Bob Lintelman reported that he recently spoke with Grand Portage Tribal Council chairman Norman Deschamps, who also is chair of Minnesota Chippewa Tribe, who therefore speaks on behalf of the Minnesota tribal viewpoint. The tribes' issue is that they feel that their 1854 treaty rights have eroded over the past 150 years, and they feel that restricting access to the IRAs also diminishes the value of the treaty rights. Bob said that Norm recognizes that, taken literally, access rights remains for gathering, moose hunting and extracting the meat, and trapping, but there is still a general erosion of rights. Therefore, Norm Deschamps requested that Bob Lintelman vote for Resolution #2.

Nancy McReady, Conservationists with Common Sense, commented that she feels that the MFRC is a good forum for addressing forestry issues, but that the Governor shirked his responsibility by asking MFRC to obtain input from local governments. She argued that MFRC should not advise the Governor to petition since it may open up a can of worms. Her organization believes that current recreational issues can be better addressed by working directly with the Forest Service. Nancy gave MFRC petitions with 2,800 signatures that oppose roadless areas because IRAs are "pseudo-wilderness" designations.

Rick Horton, Ruffed Grouse Society noted that he has been concerned about diminishing access on all lands, due to some "rogue" motorized users whose actions result in closed roads. This leads to higher density of users in areas that are accessible, causing some forest roads to be heavily impacted. As a result of overuse and impact, more roads are being closed. Because of these concerns, the Ruffed Grouse Society is one of six conservation organizations and Indian tribes looking to address bans of cross country travel for game retrieval. Rick is opposed to further establishment of non-motorized areas.

Bob Stine is sensitive to counties' point-of-view that MFRC has been placed in a role of intermediary between counties and the Forest Service, and therefore is not opposed to including a statement in the resolution to the Governor suggesting that he talk to local units of government.

Bruce Cox noted that the Roadless Rule includes the statement of "collaborating with local governments and tribal interests, stakeholders and other interested parties", and this body does represent the latter two groups, but not the first two groups. Bruce feels that MFRC should clarify for the Governor that one representative for each of the first two groups is not sufficient.

Dave Epperly agrees that MFRC's composition provides excellent representation, but agrees that the Governor is asking to petition or not, each of which has consequences. So, Dave would prefer that MFRC list the expected outcomes of this recommendation. Intergovernmental discussions are occurring: Jim Sanders, Forest Service, has done a good job, as has the State.

Dave Parent noted that since he represents the NIPF landowner perspective, he has insight into the issue since he owns two parcels that are inholdings of federal lands. In the long run, he is concerned about the sustainability of local communities associated with both national forests. Dave sees a great deal of uncertainty for those areas as potential areas for wilderness, and therefore leans toward resolution #2.

Jan Green said that the Forest Service has already made management allocation decisions in the latest forest management plans, and in no case were any IRAs proposed to be designated as wilderness areas. So, there is risk in undoing these forest management plans via a wide-ranging process again, which includes more than just local communities, but also all other stakeholders.

Dave Parent is not opposed to additional wilderness, but he is opposed to short term indecision and avoiding conflict that leaves these lands as potential wilderness areas, which in next round of planning could be candidate wilderness areas.

Duane Lula clarified that “areas inventoried as potential for wilderness” are required as a step in the plan and listed based on criteria. None were nominated for wilderness. Some IRAs were allocated to general forest, and the Forest Service will propose doing timber harvest in some of those areas. It is possible that 15 years from now, the Superior National Forest may again have to look at whether any areas have potential for wilderness, if they meet the criteria.

Bob Stine made a motion to approve Resolution #1, with two additions: 1) that background material be included in the cover letter to the Governor, and 2) that a comment in either cover letter or the resolution that MFRC is one interested party, so the Governor should also meet with local governmental representatives and tribes. Jan Green seconded.

Paige Winebarger proposed a friendly amendment that the package to the Governor include: 1) A resolution that tells the Governor only whether to petition or not, and therefore delete extraneous 6th and 7th whereas statements in Resolution #1; 2) in the cover letter, include a note that Cucumber Lake IRA generated concerns that warrant continued discussion, so urge the Governor to suggest a plan amendment to the Forest Service; and, 3) in the cover letter, include reference to local governments’ interest in direct contact with the Governor.

The formal vote was 10 in favor of the original motion to approve resolution #1, plus the additions proposed by Bob and amended by Paige. 4 voted in opposition (Dave Parent, John Stauber, Bruce Cox, and Bob Lintelman). The motion passed.

Update on Riparian Science Technical Committee and Planned Economic Analysis Work

Dave Parent handed out a packet containing RSTC information including a meeting summary and overview of economic analysis work. He noted that it has become clear that the RSTC cannot run in parallel with the economic work, so the latter has been postponed. MFRC will receive a report from RSTC in March or May, at which time the MFRC will determine the areas of economic analysis and provide input on selecting economists.

Public Communications to the MFRC

Terry Weber – MN Forest Resources Partnership thanked Dave Miller for creating the landscape-level collaboration and welcomes Cynthia Osmundson. Dave Miller said that it has been a real pleasure to work with the MFRC during the last eight years. Eight years ago, the landscape program was a concept, now it is reality, and is he is excited to see Landscape Program taken to the next level. Rick Horton provided his input on the woody biomass guidelines topic. He feels that the new guidelines should address four areas: 1) slash, 2) brush, 3) hybrid poplar, and 4) biomass that results from thinnings/timber stand improvement. He thought he heard that the proposed biomass guidelines would only address the first two areas. He has input on these topics as it relates to ruffed grouse habitat protection. He worries that slash from older stands will produce more merchantable material, which could lead to scraping the forest floor clean. In brushlands, Rick feels that guidelines should ensure that after harvest, the brushland can regenerate to brush, which is dependent on soils and season of harvest. Regarding hybrid poplar, he feels that planting 10,000 – 15,000 acres of hybrid poplar within the Virginia areas is huge, and sharp-tailed grouse reside in this area. He argues that the trend of planting hybrid poplar is the single greatest threat to sharp-tailed grouse in the Midwest. He cited an example where a plantation was planted in the middle of a sharp-tailed grouse lek in the Sax-Sims area, which also affected sandhill cranes and other birds.

Finally, Rick pointed out that thinnings can be detrimental to grouse and woodcocks. For example, several years ago, Blandin Paper thinned several 10-20 year old aspen stands, which proved to be detrimental to

grouse and woodcock since they were no longer protected against avian predators. Rick feels there should be a recommendation to leave 10-20% of aspen stands unthinned.

Louise Levy, Coordinator for the Sustainable Forests Education Cooperative, announced the 5th Annual Research Review to be held on January 11th in Duluth. MFRC is a financial supporter of the workshop, and members are encouraged to attend at the member rate of \$55.

MFRC Member Comments

Bob Stine provided an update on his work as the project lead for an LCMR project to implement third party certification of private woodlands. Bob is working with MLEP's new logger certification program, since this is one method for certifying wood coming from private landowners.

Bob Stine highlighted the work underway at the University of Minnesota to merge the College of Natural Resources with the College of Agricultural, Food and Environmental Sciences. Task forces composed of both internal and external stakeholders made their recommendations, which will be posted at: http://www1.umn.edu/systemwide/strategic_positioning/tf_prelim_reports/cnr_coafes_che_exec_summ.pdf. The public will be allowed to comment on the recommendations through January 27th.

Al Sullivan concluded the meeting by commenting that this was a productive meeting, and serves as an example of why MFRC exists. Al sought input on the content and process for discussing policy issues during MFRC's January meeting.