

Minnesota Forest Resources Council
Meeting Minutes
Cloquet Forestry Center
January 18, 2006

Council Members Present: Al Sullivan, John Stauber, Bob Stine, Wayne Brandt, Jon Nelson (alternate for Dave Epperly), Jan Green, Shaun Hamilton, Dave Parent, Bruce Cox, Butch Eggen (alternate for Kathy Manteuffel), Bob Oswald, Bob Lintelman, Ron Nargang (alternate for Paige Winebarger), Kathleen Preece, Jim Sanders, Shawn Perich

Absent: Dick Walsh

Guests: Terry Weber – MN Forest Resources Partnership, Rick Horton – Ruffed Grouse Society, Dick Rossman – MN DNR, Art Norton – TNC, John Curry – 50 Year Conservation Group.

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

Chair's Remarks

Al Sullivan announced that he delivered the resolution relating to MFRC's advice on the roadless area rule to Bob Schroeder on December 8th. Al encouraged Council members to think about additional ways that the MFRC can assist the Governor.

Public Input/Communications to the Minnesota Forest Resources Council

Rick Horton – Ruffed Grouse Society noted that forest management in the past created good habitat and no restrictions on travel, but that heyday is now changing, in part by actions of the MFRC. Ruffed Grouse Society is part of a coalition working with the Forest Service to express concerns that forest management is now less favorable to game management. The coalition feels that current forest management policies and practices produce less habitat and less access, and sees the potential for more conflict 10-20 years from now. Rick urged Council members to consider these factors and think about the future of forests and game species as being linked.

Approval of November 30, 2005 Meeting Minutes*

Bruce Cox moved, and Jan Green seconded. Approved the motion to approve the meeting minutes.

Approval of January 18, 2006 Meeting Agenda*

Wayne Brandt moved to approve the November 30th meeting agenda, and Jim Sanders seconded. The motion carried.

Executive Director Report

Dave Zumeta reported that Jenna Fletcher is conducting interviews to hire a ¼ time Information Assistant for the St. Paul Council office. Dave highlighted an upcoming informational Legislative briefing for the House natural resource policy and finance committees on key issues facing the Minnesota forest resources, and opportunities for the Legislature to implement recommendations of *The Governor's Task Force on Competitiveness of Minnesota's Primary Forest Products Industry*. Dave mentioned that MFRC has a booth at the Million Acres in Minnesota conference on February 10 - 11 in Duluth. Finally, Dave handed out MFRC's 2005 Annual Report and noted that he and Al Sullivan will be delivering it in person to several key legislators.

MFRC Committee Reports

Personnel and Finance

Al Sullivan (Committee Chair) reported that the Personnel and Finance Committee has not met since the last MFRC meeting.

Site Level

Dave Parent (Chair) handed out an update of the activities within the site-level program. Dave highlighted the Biomass Guideline Development project, for which Dick Rossman will serve as the project leader. A list of possible members of the to-be-developed Biomass Guideline Technical Committee was handed out. Wayne Brandt noted that biomass utilizers, i.e. purchasers, should be included on the technical committee. Dick Rossman responded that the logger proposed for the technical committee sells to several biomass purchasers.

Jan Green noted that the Biomass Guideline Technical Committee should operate as a public process, and asked how public communication/notice of this new initiative will be addressed. Mike Phillips responded that normal protocols will be followed: 1) public notice for all meetings, and 2) time allowed for public input at beginning and end of meetings. Dave Zumeta added that he is finalizing a 2-page communication document that will address Jan's concern re: informing interested parties.

Landscape Planning/Coordination

Bob Stine (Chair) said that a draft charter for the Landscape Committee will be an action item at the March 15th meeting. Next, he reported that the Northern Landscape committee has hired George Host to create a native plant community classification for the Northern Landscape and to quantify current forest condition and landscape potential for sustainable forest management. Jan Green commented that during the SFI and FSC audit reviews of DNR forestland, there was a reference to monitoring the landscape plans.

Forest Resources Information Management

Jan Green (Chair) reported that the Information Management Committee met on December 12th. The committee reviewed a statewide list of biomass projects underway or being proposed, as well as a list of Initiative for Renewable Energy and the Environment (IREE)-funded research projects. Next, Clarence shared information about forestland use change monitoring. He also reviewed draft indicators for Itasca Forest Legacy Partnership that would be used for prioritizing project/parcel conservation easement purchases. Finally the committee spoke with Lee Pfanmueller – Division Director, DNR Ecological Services regarding the recently completed Comprehensive Wildlife Strategy. The committee discussed how MFRC may assist in the implementation and monitoring of the Comprehensive Wildlife Conservation Strategy.

Dave Parent commented that he is hearing several references to the need for monitoring. For example, the Riparian Science Technical Committee may lead to a request for additional monitoring. He suggested that MFRC may want to consolidate requirements for monitoring, and balance the most important monitoring needs against MFRC's monitoring resources.

Written Communications to the MFRC

Dave Zumeta shared a letter he wrote to Steve Earley accepting his offer to tour Boise Paper's mill during MFRC's July 19-20 meeting. The tour will likely include both the chip manufacturing and the paper machines.

Committee of the Whole: 2006 Policy Issues

Al Sullivan set the context for this discussion by explaining that the five policy issues that MFRC worked on in 2005 will be reaffirmed and/or revised for 2006. During this meeting, Council members offered their perspectives and input. Al said that during the March meeting a resolution containing a prioritized list of 2006 policy topics will be presented as an action item. To structure the ensuing discussion, a document was provided that listed the five 2005 policy issues, as well as new policy issues.

Policy Issue #1:

Ron Nargang noted that there are opportunities in addition to the Forest Legacy Partnership work in Itasca County. Another million acres of industrial forestlands (including Potlatch, Rajala, Boise, UPM, Wolfwood, US Steel, Minnesota Power, etc.) are potentially at-risk for sale. MFRC could analyze these acres against the landscape plans, and examine the adjacent ownerships. Ron said that to achieve the larger goal, land exchanges can also be part of the solution, whether at state, county or local levels. Dave Parent said that MFRC's role could include examining county and local land use sale policies. For example, Bruce Cox said that some townships have first right of refusal on tax-forfeit lands. Jan Green gave an example where the parcels offered for sale were undevelopable land. Also, MFRC could look at counties' zoning to see if any use forest management zones.

Counties historically have grappled with the issue of forestland retention vs. disposal. Currently, the counties seem to be on a plateau of holding lands, but there are winds of change towards more land disposal. As the value of land increases, the county boards are having a harder time saying no to development. The value of stumpage can mitigate the disparity in value of forestland vs. developed land. However, there is a large amount of forestland that is not developable due to the high cost of providing infrastructure services to the sites. Bruce Cox noted that Mike Kilgore is conducting a study for the benefit of several counties examining the economics of retention vs. sale of forestland. Shawn Perich pointed out the checkerboard of county and state lands and wondered if MFRC could help streamline the land exchange process.

Al Sullivan noted that it might be difficult to offer advice to counties without meddling. Jan Green responded that MFRC would not offer advice, but by obtaining information from many counties about their policies, MFRC could elevate understanding of the issue generally.

Wayne Brandt said that there is great interest in industrially owned lands, but there is seemingly less interest in the other 15 million acres in the state. Wayne noted that currently 900,000 cords/wood/year is imported from outside Minnesota, which is a significant change from a few years ago when Minnesota was a net exporter. Of the imported wood volume, 600,000 cords come from Canada, and the remainder is from Wisconsin, Michigan etc. Wayne warned that the Canadians could turn off the spigot of wood anytime, which would cause deep trouble, including the shut down of three paper mills and two to four OSB plants. Should the MFRC look at this issue? Shaun Hamilton noted that Wisconsin and Michigan are also net importers.

Jim Sanders sees a need to track trends in land use changes, but we need to be careful not to judge land use decisions made by landowners – it's their choice. Jim says that we need to better understand the trends so that can forecast other issues that may result.

The discussion turned to the federal Forest Legacy Program (FLP). Jim Sanders said that MFRC could provide input on which willing landowners should get the FLP monies. Jan Green noted that northeastern states have received the lion's share of FLP monies, primarily because there has not been enough attention on influencing Minnesota's Congressional Delegation. Ron Nargang agreed, and noted that The Nature Conservancy is ramping up their work with congressional delegates, but the fact remains that members of federal appropriating committees typically get funding for their states, and Minnesota has not had many legislators serve on appropriating committees.

Wayne Brandt commented on frustrations and issues with the Sustainable Forest Incentive Act (SFIA) program. While Minnesota Forestry Association is leading the change process, they seem to be nibbling around the edges. Wayne thinks SFIA needs a more rigorous tax policy analysis, especially relative to the past forest tax policy. Wayne said that any work to significantly examine the SFIA program should include input from a group that has authority and imprimatur. MFRC has a role here to help make it happen.

Recreational access to forestland is a related and critical aspect of this policy issue, so we may want to revise the description so that it includes all ownerships, and include recreational access.

In general, the discussion concluded that MFRC's work on policy issue #1 work in 2006 should include a broader approach than just focusing on the purchase of conservation easements on industrial forestlands.

Policy Issue #2:

Jan Green said that there is lack of study of the total availability, location and species aspects of biomass. The Laurentian Energy Authority's Environmental Assessment Worksheet did not begin to address these questions. Wayne Brandt estimates that 750,000 tons/year of this material is being used right now in northern Minnesota. Wayne's members have 2 concerns about biomass energy project: 1) don't want projects that are created through non-private ventures that divert off wood sources, and 2) it is not government's role to give raw material to someone else. Wayne also argues that since 750,000 tons are already being utilized, Minnesota needs to understand where additional use affects the availability. Dave Zumeta commented that it is hard to grapple with the total breadth of availability since sources include agricultural residue, blowdown in urban areas, clearing in utility rights of way, etc. Jan Green argues that MFRC has a role because there is no definitive supply equation. Instead, the message is that biomass is good, and the resource is infinite. But there is a need to look at land use, competition with other uses, etc. She contends that in a sense MFRC is developing guidelines without the benefit of a background GEIS-type of context.

Policy Topic #3:

Cynthia Osmundson has been involved in the Governor's Clean Water Initiative technical committee that is creating a white paper to inform decision-makers on how land use affects water quality. This initiative includes a project in 5 counties that nests within our 7 county North Central landscape region. There clearly is a connection at the landscape level between forests and water quality in the Mississippi headwaters. Cynthia noted that maintaining water quality is a goal stated in all landscape plans.

A proposed legislative proposal called Clean Water Legacy may generate funding and MFRC may have a role in helping allocate those monies. For example, Jon Nelson asked if MFRC could have a role in earmarking monies within the Clean Water Legacy bill for reforestation. The issue driving the Clean Water Legacy is the recent denial of permits to expand wastewater treatment in two cities. Ron Nargang does not see a role for MFRC in allocating Clean Water Legacy monies; instead MFRC should look to the future of forest management, specifically reforestation in marginal agricultural lands. This policy topic also ties into climate change and water supply. Jim Sanders noted that riparian guidelines address a "transitory" use (timber harvesting) instead of permanent use of waterbodies. Dave Parent noted that MFRC needs to examine this issue at the watershed scale in order and answer "how does forest management mitigate water quality?"

The discussion ended with the conclusion that there is no specific MFRC hook on this issue, but MFRC could elevate understanding of the role of forests generally in maintaining and improving water quality.

Forest Policy Issue #4

Jim Sanders noted that gypsy moth has moved into the landscape in the last six months. In the Superior National Forest, Jim's staff is treating 145 acres of noxious weeds scattered on 1,600 different sites. Jim feels that MFRC has a role in raising the awareness of this as a landscape issue, to help integrate existing programs, help prioritize the threats, and ensure that the programs are action-based. Jim said that Michigan did not control gypsy moth when the state allowed movement of firewood. Jan Green says MFRC's role could be to focus attention on the terrestrial invasive species. Dave Parent commented that forest health is somewhat dependent on the forest's ability to resist infestation, so Dave wants a primer on species/age/composition that would help mitigate the introduction of these plants. Understanding this may also help foresters in laying out desired future conditions. Kathleen Preece reminded members that during the May 2005 MFRC meeting, a presentation and ensuing discussion included points laying out where MFRC could have impact. For example,

MFRC could go to entities such as USDA Forest Service State and Private Forestry and the Department of Agriculture to present the primer, then ask what their priorities are in order to help develop cohesiveness. Jan feels this would elevate understanding of the issue. Jan also suggested that MFRC identify silvicultural practices that mitigate the effect of invasive terrestrial species introduction. For example, the guidelines could be amended to add practices such as washing down logging equipment, and other transportation vehicles.

Policy Issue #5

John Stauber said that he is meeting with a large manufacturing company who is looking to procure wood from Russia. John feels this is a very important topic, but realizes it would be tough to create a group of secondary forest products companies because they are so diverse. Bob Oswald agrees, and says it is cheaper for forest products companies to get pulp from Brazil, or even cheaper to make the paper in Europe. John Stauber noted that globalization has a huge impact on local communities. Dave Parent asked if the issue is species/quality/quantity/price related. Forest management is a huge part of it. Europeans come see our forest management and they don't understand it. Jan Green noted that transportation is another key impediment due to bottlenecks in transportation, making it cheaper to import materials. Jim Sanders suggested that while we can't change globalization, we can understand it's components and answer "so what." Al Sullivan asked what actions that MFRC could take. Jim Sanders noted that in our first year, MFRC might work to just figure out the components (transportation, environmental permitting, labor, etc).

Jan pointed out that another aspect of globalization is climate change, which constrains the wood productivity more in the United States than in Brazil because they can grow eucalyptus. Shawn Hamilton noted that it's helpful to remember that "economy" doesn't equate to current market situation, but that society needs to look at a value-added perspective. In other words, how does Minnesota want to proactively shape our economy vs. being reactive. John Stauber said the lumber industry in Minnesota is "dying on the vine". Can Minnesota companies rely on timber availability from Minnesota in the future? Bruce Cox drew a comparison by noting that American automakers are losing ground, and why didn't they see it coming? Bruce added that the lesson might be to look more to the future. For example, Minnesota lost a mill in Bagley because they couldn't compete for aspen bolts, but couldn't see value-added opportunities. It was noted that the Forest Products Lab in Madison is identifying products of the future, and Jim Sanders could help us contact them.

Reactions to other policy ideas:

Jan reacted to the "below the line" policy topic related to deer densities. She noted that deer density impact on regeneration is one of DNR's 3rd party certification "corrective action requests" (CARs). Shawn Perich commented that the deer density is a significant, but localized, issue. Shawn Hamilton disagreed that it is only a localized issue; he feels it is a landscape issue. MFRC could provide political will since this is not an issue that the state will need to address. Dave Zumeta noted that Lou Cornicelli (DNR Wildlife) is convening deer goal setting advisory teams in some areas of the state, and welcoming input from forest stakeholders including NIPFs, counties, etc. The groups recommend deer population goals to the DNR, which are then vetted through DNR managers. In most cases, the groups in 2005 identified retain or reduce deer populations. Bruce sees that the goal setting roundtables are a chance to get heard, but citizens may not get what they want.

Shawn Perich commented that the "below the line" policy topic of forest recreation does not always get appropriate attention. He is seeing more people squeezed onto less land, which is leading to more conflict. So, there is a need to address "how to access the forest," and not just for ATVs. There may be a role for the MFRC to identify "reasonable access" that allows people to use the forests.

Bob Stine commented on the "below the line" policy topic relating to third party certification of NIPF lands. MFRC could have a role in working to get NIPF wood certified, by monitoring the issue over the next 18 months and at appropriate times show support to move it along. This could include getting articles published, since Bob thinks we should not be totally silent on the topic of third party certification of NIPF lands.

Jon Nelson noted that relative to the GEIS next generation, if MFRC doesn't look at it, who would? Dave Zumeta clarified that it is definitely on the table to review the GEIS Report Card Study and respond to its recommendations.

How should the landscape connections to the site-level harvest of woody biomass from forests and brushlands be addressed?

Dave Zumeta noted that this agenda item originated with Paige Winebarger's question whether the biomass guidelines will address both site-level and landscape considerations. Dave Parent started the discussion by restating Rick Horton's (Ruffed Grouse Society) question at the November 30th MFRC meeting, where he asked if the woody biomass guidelines would address all four sources of woody biomass: 1) slash, 2) brush, 3) hybrid poplar and 4) thinning/timber stand improvement. Dave Parent answered that slash and thinning/timber stand improvement will be addressed in the woody biomass guidelines. The DNR Brushland Management Guidelines will address woody biomass from brush, and will be linked to the brushland management plan that is cited in the legislative mandate. Dave Parent noted that Rick is concerned about hybrid poplar converting to grasslands, yet hybrid poplar is considered agroforestry and that the Department of Agriculture has a loan program for these types of operations. Dave concluded that the decision of siting hybrid poplar stands is a landscape issue, not a site-level issue, because the application of site-level guidelines occurs only after a management decision has been made.

Jan Green pointed out that the example of a hybrid poplar stand being built on a sharp-tailed grouse lek, so Jan does feel that hybrid poplar plantations can be site-level issues, especially since they are sometimes publicly subsidized. Since the responsibility for hybrid poplar is with the Department of Agriculture, but wildlife concerns falls under the responsibility of the DNR, how should these two be coordinated? Bruce Cox feels that the requirements for Laurentian Energy Authority's (LEA) to obtain certain proportions of "closed loop" and "open loop" sources does drive this issue, and someone needs to help LEA make good decisions on where to plant the hybrid poplar.

Shaun Hamilton feels this is a conversion and a use question. If farmers wish to convert forestland to agricultural land (or vice versa), they have to right to do so. Hypothetically, some entity could specify what percent should be converted at the landscape level, but that is not currently done.

Jan ended the discussion by saying that the either-or argument between site-level and landscape is not accurate. She argues that it is a scale issue, somewhere between the scale of our landscape and site-level programs. Jan feels MFRC should develop an intermediary spatial scale that addresses wildlife needs.

Work of the 50-year Conservation Group (AKA Campaign for Conservation): how will it address the issue of forestland ownership shifts?

John Curry, Project Manager for the Campaign for Conservation, said that the genesis of this initiative stems from David Hartwell's observation about the lack of a long-term, well-enunciated plan for statewide conservation. Without a plan, it is difficult to get public support. Ron Nargang agreed to join David Hartwell to create a small group of folks, including representatives from conservation organizations, hunting and fishing groups, environmental groups in developing this initiative. They developed a mission to "maintain cherished outdoor traditions by engaging Minnesotans in protecting our lands and waters for future generations." About a year ago the small group engaged a broader group of leaders of state agencies, conservation groups, non-profits, etc. The focus is to provide the Governor with something to present as part of Minnesota's 150th celebration to occur in 2008. The message is that in order to continue to ensure that Minnesota is a great place to live, we need to invest in land conservation. The project has three goals: 1) create a 50-year vision for conservation in Minnesota, 2) establish new sources of significant, ongoing funding, and 3) generate public awareness.

One of the work products will be a “case for conservation” which includes information on forest fragmentation, cost of land and loss of access, and forest’s role in jobs, economy and quality of life. Another work product is a “50 Year Vision” which lays out a conservation plan for each of 14 areas in Minnesota. John Curry said that the local experts will help define the conservation plan for the areas. The plan is to release the 50-year vision in 2007, followed by a funding campaign.

Shaun Hamilton asked if this initiative will address the three social, economic and ecological pillars of sustainability. John Curry responded that while that is not an explicit goal, he anticipates that the zone descriptions and conservation plans will include social and economic considerations.

Dave Zumeta noted that MFRC has been involved in the initiative through Jenna Fletcher’s participation on one of the committees. Both Dave and Jenna attend the larger group meetings.

Public Communications to the MFRC

Rick Horton pointed out that there is an advisory committee working to define how the monies would be disbursed under the 3/16th of 1% sales tax proposal. The group is proposing that the ~\$160 million be split 50% to clean water and 50% to habitat. Of the habitat funding, Rick is disappointed that the committee has allocated only 6% to forested areas; he is trying to increase this.

MFRC Member Comments

Dave Parent noted that as RSTC finishes its work and as we transition to the economic work, some GIS support will be required to answer some questions. Shawn Perich noted that approvals for DNR timber sales extension now must be forwarded to regional offices. Jan Green announced an owl symposium on March 17-19th in Duluth. For more information go to www.hawkrIDGE.org. Bob Stine reminded MFRC members that the College of Natural Resources and the College of Agricultural, Food and Environmental Sciences are merging as of July 1. Comments on draft recommendations are due by January 27th.

Jim Sanders noted that the 5th Annual Forest and Wildlife Research Review was a success and important forum for bringing research to practitioners. Bruce Cox noted that the presentation about carbon sequestration at the Research Review was very good, and that this topic might be something MFRC should talk about. Bruce also said that the county commissioners who sent a letter regarding the Roadless Rule petition were contacted by the Governor and discussions are underway. The county commissioners are pleased with MFRC’s work and the recommendation.

Jim Sanders motioned to adjourn, Jan Green seconded. The motion passed unanimously.