

Minnesota Forest Resources Council
Meeting Minutes
Shoreview Community Center
March 15, 2006

Council Members Present: Bob Stine (Acting Chair), Wayne Brandt, Jan Green, Dave Parent, Kathy Manteuffel, Bob Oswald, Bob Lintelman, Paige Winebarger, Kathleen Preece, Jim Sanders, Shawn Perich, Dick Walsh, Dave Epperly.

Absent: Al Sullivan, Shaun Hamilton, Bruce Cox, John Stauber

Guests: Ray Higgins – Minnesota Forest Industries/Timber Producers Association, Steve Betzler – Minnesota Power, Mark Johnson – MN Deer Hunters, John Bathke, Rick Horton – Ruffed Grouse Society, Art Norton – The Nature Conservancy, Don Janes, Don Arnosti – IATP, Doug Thompson – The Nature Conservancy

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

Chair's Remarks

Bob Stine (acting chair) announced that he is filling in for Al Sullivan who is traveling.

Public Input/Communications to the Minnesota Forest Resources Council

Rick Horton – Ruffed Grouse Society said that he was alarmed to read that DNR's FSC certification requires deer population management as part of forest certification. He feels that forest certification is moving beyond assessing forest management. Mark Johnson – MN Deer Hunters agrees, not because of his deer hunter perspective, but because this restriction "holds forestry hostage" because with fewer hunting opportunities, there will likely be a larger deer population, and forestry will have no control. He also fears that the potential exists to create precedents.

Approval of January 18, 2006 Meeting Minutes*

Dave Parent moved, Kathleen Preece seconded, and the Council approved the motion to approve the meeting minutes.

Approval of March 15, 2006 Meeting Agenda*

Paige Winebarger moved to approve the March 15th meeting agenda, and Jan Green seconded. The motion carried.

Executive Director Report

Dave Zumeta handed out a new report called *Minnesota Calling*, a publication of the Campaign for Conservation. Dave also provided an update on personnel:

- Leslie McInenly –began working for MFRC on February 13 as a 25% time Administrative/Information Assistant. She can be reached at 651-603-6761 or mcine017@umn.edu

- Cynthia Osmundson's last day with MFRC will be March 21st. Dave thanked Cynthia for her work on behalf of the Council.
- Lindberg Ekola will rejoin the MFRC to replace Cynthia, beginning on March 22nd.

Dave also reported that on March 7 he submitted comments on the UPM/Blandin Paper Thunderhawk Project Draft EIS. His comments focused on improving the accuracy of direct references to MFRC or MFRC programs.

Finally, Dave said that the next MFRC meeting on May 17th will be held at the Minnesota Department of Transportation's Arden Hills Training center in St. Paul. MFRC's July 19th meeting will be in International Falls at Rainy River Community College, followed by a tour of the Boise mill the next day.

MFRC Committee Reports

Personnel and Finance

Dave Zumeta reported that the Personnel and Finance Committee met on February 23rd. The committee reviewed Council budget and spending, and noted that spending is on track except for underspent program dollars in the Landscape Program due to personnel transitions. Committee members decided to defer taking action on the policy issues agenda item during this meeting because it seemed that more discussion and preparation was needed. The Committee also reviewed the status of all of MFRC's committees, and noted that a charter needs to be developed for the Personnel and Finance Committee. Also, the committee is asking the Information Management Committee to revise its charter to fit the same format and style as the Landscape Committee. The Personnel and Finance Committee members also decided that committee reports and summaries should be mailed in advance of MFRC meetings.

Site Level

Dave Parent (Chair) handed out a Site-Level Committee update, and noted that the draft scoping document regrading biomass guidelines is being finalized.

Landscape Planning/Coordination

Bob Stine (Chair) reported that the Landscape Committee had a discussion regarding a middle scale between landscape level and site-level. Bob also noted that Cynthia Osmundson has led each committee to create a work plan for their landscape plan implementation and coordination work.

Forest Resources Information Management

Jan Green (Chair) reported the committee did not meet since the last MFRC meeting.

Written Communications to the MFRC

Dave Zumeta shared a letter from Kirk Allen Voekler, a citizen who expressed concerns about the allocation of state monies to the prison system instead of to forestry and wildlife concerns.

Committee of the Whole: Forest Policy Issues that should be addressed by the MFRC in 2006

Bob Stine set the context for this discussion of forest policy issues by asking MFRC members to help prioritize the possible policy issues, since the list is long and staff is concerned about the ability to address all the policy issue in a quality manner. Bob said that the final list of policy work will be

formally approved in May, but staff will begin the work on the known high priority areas in advance of the May meeting.

Jenna Fletcher walked through a document that provides graphical context for MFRC's policy issue discussion that shows interrelatedness between key policy issues and their cause and effects. Next, she walked through the possible actions and research for each of the top five policy issues.

Policy Issue #1

Jan Green noted that, as written, policy issue #1 seems focused on the private ownership side, yet she feels MFRC needs to look beyond just private land fragmentation since Minnesota has the largest proportion of public land that is also being parcelized. There is a trend to sell public land to raise money. Jan has tried to obtain information on why DNR lands are being put up for sale, but has had difficulties. Jan also cited the Forest Service's proposal to sell 2,600 acres of isolated 40 and 80-acre parcels in Superior National Forest. Jim Sanders said that the 2,600 acres are far away from the core national forests and were identified in order to meet obligations to counties and schools under the Secure Rural School and Community Self-Determination Act of 2000. President Bush's FY 2007 budget for the Forest Service includes a legislative proposal that would amend the Secure Rural Schools and Community Self Determination Act of 2000 to allow payments under the Act to continue for an additional five years. The proposal stems from recognition that states and counties have been impacted by the ongoing reduction in receipts primarily due to lower timber harvest levels on Federal lands. To provide the funding for the proposed extension of the Secure Rural Schools Act, the President's proposal authorizes the sale of certain parcels of National Forest System lands. Jim Sanders said he would provide a map to the MFRC office that shows the parcels identified on the Superior National Forest. He added that counties and other public entities will have first right of refusal on these sales. The list is available by contacting Leslie McInenly at mcine017@umn.edu

Dave Epperly commented that he is currently working on developing criteria regarding the sale of state lands because he has been directed to raise \$6 million from land sales. He expects that the parcels to be sold would be isolated from other state lands. He noted that in his former capacity as a county land commissioner, counties viewed tax-forfeit land as something that is regularly bought and sold. The counties decide whether land should be held for commodity production or if it should be put back on the tax rolls. He noted that there has been a recent trend by governments to consolidate their land holdings. Dave Parent concurred by giving an example of a county-owned inholding that was recently sold near Dave's land. Dave Zumeta added that Blandin Foundation is funding a study of the pros and cons of county land sales. Dave Parent noted that Itasca County is conducting a large land sale quickly (project conception to completion in a few months) under direction from the Legislature.

Wayne Brandt noted that it is clear that all MFRC members agree this is an important issue, but added that he believes it is too narrowly focused. He feels that the Forest Legacy Program is too small scale and high cost. Given MFRC's mandate and legislative interest in this policy issue, we ought to look at the issue broadly, such as identifying tools that policymakers can utilize including zoning, tax and other financial incentives, etc. Wayne believes MFRC should develop a set of recommendations to the Governor and Legislature within the next 12-15 months that would be a mix of policies that could be implemented over the long term. Jan Green noted that as a member of her township planning commission, she has seen that zoning is relevant but really difficult.

Paige Winebarger supports what Wayne suggests, and proposes removing reference to the focus on NIPF and industrially-owned land from our description of this policy issue.

Jan Green asked about the viability of public-to-public land exchanges and whether they produced the intended results in the past. Dave Zumeta said that he worked in the 1980's at the DNR to outline land exchange options, but they were not implemented because of a broad set of legitimate challenges. He noted that there is a huge set of requirements (policy, legislative, etc.) for land exchanges.

It was noted that in the GEIS scenarios, it was assumed that non-industrial private forest landowners would provide their "share" of wood, but that is diminishing with parcelization.

Jim Sanders suggested that this policy topic stay broadly defined, and that the work in 2006 should include examining a broad suite of policy approaches.

Forest Policy Issue #2:

Dick Walsh is wary of the biomass harvesting policy issue. He said that in the early 1980's the State of Minnesota entered into a contract with a company that did not produce cost-effective energy. Dick is dubious about the long-term potential for biomass energy production. He cited the example of a Little Falls ethanol plant currently under development which requires woody biomass to be 30% or less moisture. Due to his experience with chipping, he knows that this requires a lot of preparation (and cost) in order to meet emissions standards.

Jan Green wants to get clearer definitions; for example, is hybrid poplar considered part of agricultural biomass or forest biomass? Wayne Brandt responded that per Minnesota law, it would be considered agricultural. Jan added that she is unclear about the breadth of NRRI's (Bill Berguson's) work on total biomass availability. It was noted that hybrid poplar is included in the "closed loop" definition in the Minnesota Statutes.

Forest Policy Issue #3:

Jan Green asked whether the Clean Water Legacy bill included more than just reforestation, and if it does include it, who would do the reforestation? She explained that after a waterbody has been identified as an "Impaired Water", federal money goes to the local watershed organization or township to address the source(s) of impairment. For example, money to address issues on the Sucker River was spent on signs showing the perimeter of the watershed and for creation of school rain gardens to increase infiltration.

Dave Zumeta said there are several funding sources to meet the federal requirements and remediation needed in the watersheds. Funding mechanisms include dedicated portions of the sales tax, bonding money, etc. Wayne Brandt is pleased that bonding is being looked at as a source because it can't be spent in the way Jan outlined above, and the volume of money is large enough.

Forest Policy Issue #4:

Jan Green said that she feels MFRC should raise awareness of the invasive terrestrial species, earthworms, buckthorn, etc. Kathleen Preece added that she still vividly remembers the presentation

at last May's MFRC meeting, and feels that MFRC needs to raise awareness of the risk by writing a white paper. Jan Green added that we should look at Phase 3 of the GEIS Report Card Study to help guide our work in this area. Shawn Perich added that the work of the Riparian Science Technical Committee may be useful in addressing this issue.

Policy Issue #5

Dave Epperly commented that his trip to China gave him relief that he lives in the United States. He observed a "mind-boggling volume of deforestation." And since his visit, he is now aware of news reports on topics such as yellow snow in Vietnam due to sand coming from the Gobi desert. He is interested in how deforestation in other countries (e.g. China) have impacts on Minnesota's forest products industry.

Dave Parent commented that apparently because of climate change, logging roads are frozen for less time, the logging season is shortened, and the forest road exemption under the Wetland Conservation Act becomes more important.

Jan Green noted that the presentation at the Forest Research Review by transportation expert Richard Stewart, University of Wisconsin, was excellent, and we should bring him in to present to the MFRC.

Dave Zumeta noted that the issue of wood imports was part of the 2003 Governor's Task Force report, as were the transportation issues.

Dick Walsh added that one of the reasons why Minnesota is importing so much is because wood procurement employees like the cheaper non-Minnesota sourced wood. Stumpage prices in Minnesota are higher than most other places in the world.

Wrapup

Paige noted that while she missed the Jan. meeting, the minutes showed two items that she feels should be added to the list of policy issues to be monitored in 2006:

1. Wayne Brandt's point regarding 900,000 cords of wood being imported from other states/Canada, and John Stauber's comments regarding imports of wood to support secondary forest products companies
2. Climate change
3. 3-4 significant Legislative proposals such as the Clean Water Legacy, the Constitutional amendment to a dedicate portion of the sales tax to natural resources, etc. How does MFRC have an impact on these proposals?

Paige commented that in 2005 MFRC spent large chunks of meeting time on the Roadless Rule advice to the Governor. Since MFRC is up for reauthorization in 2007, Paige asks what our 2006 contributions will be. Wayne agrees that we need to be mindful of what is on our policy issues list to ensure that our work in 2006 will be relevant to the Legislature.

Paige asked Dave Epperly what DNR's priorities are vis-à-vis forests that might help guide MFRC's policy focus decisions. Dave responded that they include land use, water quality and recreation,

ownership changes, forest health and productivity. He feels MFRC's discussions are in line with DNR's priorities.

Bob Stine summarized this discussion. Policy Issue #1 should be looked at more broadly, and include public lands if possible. Policy Issue #2 we may want to hone or combine the two listed research tasks. For Policy Issue #3 he suggested that the MFRC wait to see if the Clean Water Legacy bill passes the Legislature, and then get involved as appropriate. For Policy Issue #4, MFRC should raise awareness via a policy paper to make it the problem understandable and relevant. While Policy Issue #5 is important, and will be the part of the July MFRC meeting, the MFRC should continue to frame this issue to be focused on where MFRC can realistically have impact, if at all. In essence, it fits within each of Policy Issues 1 through 4.

It was agreed that a formal resolution to approve these issues will be brought to the May MFRC meeting.

Proposed resolution to approve the Landscape Committee charter – Bob Stine

Jan Green moved to approve the resolution recommending a new Landscape Committee charter. Wayne Brand seconded. Dave Parent proposed an amendment to strike the phrase "and Congress" from the last bullet point because he feels it is outside our purview to advise the United States government. Wayne Brandt thinks it is fine either way, and seconded the amendment motion. This amendment motion passed unanimously. The motion for the overall resolution was also approved unanimously.

Proposed resolution to request that DNR defer guideline implementation monitoring of timber harvesting activities in 2007

Dave Parent introduced the resolution, and suggested moving items 1-5 in the background section into the wording of the motion. Bob Oswald seconded. Wayne Brandt asked if the committee has discussed every year vs. every other year monitoring cycles. Dave Parent responded that this would be determined in part by learnings from the analysis that would result from this deferment. Jan Green asked how MFRC monitoring fits within certification audits. Jan noted that the DNR has Corrective Action Requests (CARs) that refer to our guidelines. Dave Zumeta added that staff met with Tom Bauman and Andrew Arends to discuss how MFRC could help with the resolving the CARs. Jan asked if the 6 month timeframe for resolving the CARs would be affected by MFRC's pause in monitoring. Dave Epperly clarified that the CARs are independent of MFRC's activities. The DNR will move on to incorporating the MFRC's decision vis-a-vis monitoring into future audits. The DNR will perform internal monitoring in cooperation with a certification implementation team in order to prepare for future audits. The motion to defer guideline implementation monitoring carried unanimously.

Guidelines for the harvest of biomass from forests and brushlands: site and landscape focus and objectives

Bob Stine began by reminding MFRC members that woody biomass can be collected from four areas: 1) slash, 2) brush, 3) hybrid poplar, and 4) biomass that results from thinnings/timber stand improvement. There has been a question regarding which of these will be addressed by the new

guidelines. It is important to realize that the legislative mandate for guideline development work is site-level, but it is clear that biomass harvesting poses broader landscape level questions and issues. The Landscape Committee recently talked about the topic of scale, specifically Jan Green's point that there is a middle-level scale between site and landscape that should be utilized for planning and implementation.

Dick Rossman, DNR and MFRC project leader, said that he is reasonably confident that highway clearing and construction debris will be deemed outside of scope for the guidelines, as well as agroforestry. Dave Zumeta noted that brushlands will be included in scope.

Jan Green questioned whether the Legislature had the intent to refer to a brushland plan that was supposed to be landscape-level in scope. Rick Horton clarified that the closest thing the DNR has to a brushland plan is a document called Open Landscape Assessment, 2004 – a DNR brushland plan. Mike Phillips clarified that this is not a final and complete plan. Jan also asked for more clarification on how brushland biomass guidelines will be developed in conjunction with the forest woody biomass guidelines. It was also noted that DNR's SFRMP process will assess what areas are suitable for harvesting.

Shawn Perich asked how brushlands will be harvested during warmer winters that do not allow for harvesting. Dave Parent guessed that lowlands will have to be harvested during frozen conditions. Dave Epperly clarified that the guidelines are for on-the-ground use, and noted that there is a need for 16 green tons/acre to fill at truck - that amount is not always available on a site.

Dick Walsh noted that a semitrailer holds 30+ green tons, so it takes a 2 acre harvest to cost-efficiently transfer the biomass.

Jan Green asked how MFRC can do brushland guidelines without a landscape plan, because brushland management is a landscape issue. Bob Stine noted that we did create site-level forest guidelines without the forest landscape plans in place. Jan contended that MFRC is not adequately addressing the landscape scale, which it seems the Legislature has implicitly asked it to address.

Dave Zumeta pointed out that DNR wants to have MFRC take a lead role in developing the guidelines.

Dick Walsh said he just doesn't see that harvesting brush will ever happen because of the economics. Dick doesn't see that equipment exists to efficiently harvest brushland. Jan Green pointed out that Dick is assessing this based on a private economic analysis, but there are subsidies in place that change the economics.

Bob Stine summarized by affirming the need to look at some middle scale between site-level and landscape-level for biomass, both brushlands and forest, as well as for other MFRC work.

Paige Winebarger asked when MFRC members will see the scoping document and key definitions. Dave Parent said that the scoping document will be reviewed by the Site Level Committee before the Biomass Guideline Development Technical team meets for the first time, and therefore he can bring it to the May Council meeting for approval.

Shawn Perich noted that if don't know the mechanism of harvest of brush in wetlands, it seems impossible to write guidelines. Dave Parent said it doesn't matter if a machete or some other mechanism is used. Mike Phillips added that the guidelines will be outcome-specific standards, not equipment specific standards. For example, if a guideline addressed ground pressure in wetlands, then whatever equipment used will need to comply.

Jan Green noted that upland brush is ecologically different from lowland brush, and that there are very few stands of upland brush.

Dave Zumeta pointed out that the University of Minnesota is doing a worldwide economic literature review of the economics of brushland harvesting. He also noted that DNR is already harvesting brushlands as part of sharp-tailed grouse habitat management.

Future direction of the DNR Divison of Fish and Wildlife in relation to forestry issues and the MFRC

Dave Schad, Director of the DNR Division of Fish and Wildlife, presented an overview of his division. He highlighted issues that relate to forests, including deer populations, ruffed grouse populations, biomass harvesting and more. A copy of his presentation can be obtained by contacting Leslie McInenly at mcine017@umn.edu.

Shawn Perich commented that deer feeding is occurring broadly, which is likely increasing the deer population. Dave Schad agreed that this is an open issue.

Jan Green asked Dave how he sees landscape-level planning being factored into site biomass harvesting guidelines. Dave responded that on DNR lands managers will try to steer biomass harvests for habitat management, but acknowledged that may be difficult at times.

Dave Parent asked about the "one time shot" of biomass harvesting versus the use of fire on brushlands. Dave Schad responded that the division would prefer to use fire since it is a more natural process, but have supplemented it with sheering and mechanical preparation of brushlands during the winter.

Public Communications to the MFRC

None.

MFRC Member Comments

Bob Oswald noted that he has not heard about any recent concerns filed with the Public Concerns Registration Process. Jenna responded that in 2005 one concern was filed, and the program just received a new concern in the last two weeks.

Dave Zumeta said that the May meeting agenda may include: 1) an action item to approve the biomass harvesting guidelines scoping document, 2) action items to approve both the Information Management and the Personnel and Finance Committee charters, 3) a presentation about major legislative actions (LCMR reform, Clean Water Legacy, etc.) and their impact on MFRC's forest policy issues, and 4) an action item relating to MFRC's policy analysis work.

Kathleen Preece noted that the definition of brushland could include spotted knapweed.

Bob Stine announced that as of July 1st, the new name of the merged colleges at the University of Minnesota will be College of Food, Agricultural, and Natural Resource Sciences (CFANS). A search committee has issued a job search for the new dean.

Jim Sanders motioned to adjourn, Dave Parent seconded. The motion passed unanimously.