



Policy Committee Meeting

Notes

Thursday, December 22, 2022 | 10:00am – 11:00am

Members present: Rick Horton, Pete Aube, Katie Fernholz, Mike Kilgore, Jim Manolis, Craig Engwall, Amber Ellering

Members absent: Keith Karnes, Brendan Jordan

Staff present: Eric Schenck, Sadie Mathison

Guests: Bob Meier, Molly Jansen

Welcome/Introductions – Rick Horton, Chair

Rick welcomed the group and confirmed that all present are acquainted.

MFRC Update – Eric Schenck, Executive Director

Eric reported that he is waiting for HR's approval to hire the recommended candidate for the Applied Forest Scientist Coordinator position, and he is getting close to posting the Policy Analyst position. He will be meeting with DNR fiscal staff in January to discuss the budget for the remainder of the fiscal year. Eric also reported that he met with Katie Fernholz to discuss the selection process for the for MN Forest Carbon Life Cycle Assessment & Baseline Development RFP. He hopes to have an update on the applicant field for the January MFRC meeting.

DNR Policy Update/Session Priorities – Bob Meier, DNR Assistant Commissioner

DNR Assistant Commissioner Meier reported that the legislature committee chairs have been announced and provided an overview of who will be leading relevant committees. Representative Ecklund was not re-elected, and Assistant Commissioner Meier expressed that this is a loss for forestry interests. Assistant Commissioner Meier hopes to submit a general fund request and stated that a priority is funding for the state. He would also like to see assistance to private forest owners for management and additional implementation of forest stewardship plans. Another concern is timber sale post date concerns which arose due to USPS. He expressed hope for the bonding

package. Climate proposal items include restoring plant communities, replacing culverts, and private forest management. New members of the legislature are “metro-centric” therefore there will be a lot of needed education. Assistant Commissioner Meier also reported a need for \$4 million or \$5 million for the next few years for reforestation to get caught up.

Rick mentioned the cap on seedling production and asked if it was worth while to present a bill. Assistant Commissioner Meier agreed that it is a roadblock but there is a need to be on the same trajectory as the private nurseries.

Rick reported that Senator Utke has approached the large nurseries in the Park Rapids area to gauge their interest growing containerized and seedlings. There is interest within the private nurseries, but he stated there should be a conversation about working together to reach nursery stock goals. Rick plans to have a conversation with Senator Utke later in January and hopes to have other interested parties involved. He will invite others once a date is selected. There needs to be more strategizing around who is going to buy them, who is going to put them in the ground, and a commitment from the state. This is needed information to get the private growers to commit to invest.

Assistant Commissioner Meier said it is too early to tell if there will be a bonding bill. The Chairs would love to do a bill, but it will depend upon the Republicans and Democrats ability to come to agreement.

Assistant Commissioner Meier also reported that committee deadlines are usually done by Easter/ all finance bills need to be out of the committees.

Assistant Commissioner Meier agreed to come back to the February Policy meeting to provide another update.

Pete mentioned that Commissioner Strommen and other DNR commissioners attended the Bemidji joint forestry affairs meeting where MFRC’s resolution on information needs was discussed. Commissioner Strommen indicated her support and offered to join MFRC in a meeting with the Governor. Eric indicated that the Governor’s scheduler is still working on a MFRC request to meet with the Governor in the Executive Reception Room following the January 17 Council meeting. The purpose of that meeting is to present MFRC’s biennial report and resolutions. He also is working with Commissioner Strommen’s scheduler to include her on the January 17 Council meeting agenda. The purpose of including her on the January agenda is to share DNR’s mandated climate change report and recommendations that is due to the Legislature on January 15. Pete also shared that he and Eric are scheduled to meet with Commissioner Strommen on the morning of

January 18. The purpose of that meeting is to inform and educate the commissioners about MFRC's policy and funding recommendations for the legislation session and the FY24-FY25 Biennium.

Carbon Market Resolution – Rick Horton, Chair

Rick reported that he did receive some feedback from Council members on the Carbon Market Resolution. Rick has incorporated changes to reflect that feedback. Feedback included verbiage about looking not only at implications, but also benefits. This concept was widely supported by the committee.

Further discussion emphasized the need to look at the benefits to landowners *and* climate, and to understand the tradeoffs. A neutral, even-handed approach is important.

Attention was drawn to the confusion and uncertainty around carbon markets. There was a request to find someone to speak to the Council at the January meeting.

There was a suggestion to organize unanswered questions into groups such as: Do/will carbon markets promote sustainable forest management, are the carbon and climate benefits real, and do we really understand the tradeoffs?

Another suggested that the resolution be read through with the lens that the current design reduce timber harvest activities limits and therefore threatens the state's ability to reach all climate change mitigation goals.

Attention should be drawn to the co-benefits of this program: water, wildlife, biodiversity, etc.

There is strong recognition that the leadership in the carbon offset programs has not included expertise in the forest products side of things. Nearly all the existing protocols were developed by interest groups, designed to align with interest groups. There are protocols that create winners and losers. Few have a vision of being as big as possible.

One committee member expressed concern that the continued distrust and references to Wild West riskiness could push the market away. This needs to be reframed to say that carbon market programs are good and it has to happen quickly to avoid missing the opportunity to attract the market.

Rick will make revisions that came from the committee discussion, then kick it back to this committee for approval before bringing it to the full Council for a vote.

MFRC Legislative Funding Request – Eric Schenck, Executive Director

Eric mentioned that he and Pete will be meeting with Dean Buhr today and he hopes for a productive meeting around the value of the IIC and the continuation of funding to support their work.

Other

Rick announced that Ida Rukavina is the new Commissioner of IRRRB and he has talked about the workforce issue in the forestry realm.

One committee member revisited a strategic plan initiative for the documentation of the process for approving policy recommendations and resolutions, and requested that it appear on a future agenda.

Meeting Adjourned

During the meeting, Katie Fernholz shared the following in the chat:

This report includes some updates on carbon innovations, see page 10 or so (including the links in footnotes):
<https://www.dovetailinc.org/portfoliodetail.php?id=63765f15f17c1>