

Meeting Minutes

Wisconsin Council on Forestry
Stoney Creek Inn – Onalaska, WI
June 15, 2010

Members Present:

Bill Horvath, Ken Ottman, Robert Rogers, Jim Heerey, Paul DeLong, Fred Souba, Jane Severt, Jim Hoppe, Tony Erba, Rep. Fred. Clark, Henry Schienebeck representing Dennis Brown, Leon Church

Members Absent:

Sen. Kathleen Vinehout, Sen. Bob Jauch, Rep. Donald Friske, Dennis Brown, Michael Bolton, Troy Brown, Matt Dallman

Guests Present:

Mary Brown, Greg Rebman, Stephen Dinehart, Bob Peterson, Mike Carlson, Jim Kerkman

Welcome and Introductions

Chairman Fred Souba called the meeting to order at 8:40 a.m. Council members and guests introduced themselves. Tony Erba announced that Paul Strong, the new Chequamegon-Nicolet National Forest Supervisor, would arrive on July 6th, and would replace Tony as the Forest Service representative on the Council. Fred commented on how informative the Council field tour on the previous day had been, and volunteered to author a letter of thanks to its organizers on behalf of the Council.

Chair Souba informed the Council that he had received a copy of a resolution from Lincoln County in opposition to the closing of the Merrill Fire Station. Chief State Forester Paul DeLong said that there had been no discussion whatsoever by the DNR of closing the Merrill Fire Station.

DECISION ITEM:

- A motion by Bill Horvath (seconded by Ken Ottman) that a letter be sent to the group that gave the tour thanking them for a job well done passed unanimously.

Statewide Forest Strategy Implementation – Fred Souba and Paul DeLong

A special meeting of the Council took place in April for the purpose of finding consensus among members, before the end of the established comment period, about what should be included in the Statewide Forest Strategy. Since then, efforts were made to respond to comments received on the Strategy, and to incorporate feedback into the document, which is due to the Forest Service on June 18th. Earlier this month, Paul DeLong asked Council members to do a homework assignment. He asked that each of them look over the revised Strategy, and come to today's meeting with three to five strategies that they consider priority items for Council involvement in the next few years, so that from the discussion today, the list of strategies can be honed and a list of items identified for further development by the Council at its September meeting.

Role(s) for the Council in Strategy Implementation

Paul, believing that the Council is well positioned to work on certain things, asked members to comment about what they felt the Council was best positioned to do, given the limited time and resources the Council has. Ken Ottman thought that getting any of the strategies off the ground would involve the efforts of multiple stakeholders, and that the Council needs to find out where it can be most effective in helping to make one or more of them happen. Bob Rogers suggested that the Council's strength was in identifying policies, and that it would do well to use the approach it had in the past, looking for overarching concepts, and identifying theme areas. He cited the BMP process, which got off the ground with the Council establishing a directive, or forum for their development, which could also work with the Strategy.

Bill Horvath thought it was important for the Council to keep the Strategy on the table at all times, and to be willing to adapt it as necessary as times and conditions change. Tony Erba agreed on the importance of a continuing conversation. Jim Heerey proposed that it might be appropriate for Council members to review the Strategy and make suggestions for new goals or strategies during an hour reserved for that purpose once a year at a regularly scheduled Council meeting. The comments could then be retained by the Division for consideration at the end of the next ten-year cycle. Rep. Clark agreed that this would be a good idea.

Process for Council Decision-making Regarding New Initiatives

At the September meeting, Paul hopes the Council will be ready to discuss actions related to priority strategies, and discuss DNR's niche in implementation, with the process coming to fruition in December. The first step will be to narrow the 52 strategies down to between three and five. To begin this process, Chair Souba asked each Council member to identify the strategies they selected as priority items to work on. Next, the strategies on which there was consensus by three or more members were identified. A discussion of each followed. The strategies selected by at least three Council members before today's meeting as priority items for the Council to work on between now and September are listed below along with key considerations that arose from the discussion:

- ⇒ **Strategy #37 – Ensure that climate policy reflects the potential positive contributions that forest conservation and sustainable management can make to achieving substantial net reductions in greenhouse gas emissions.**
 - Forests are a key component, but have been overlooked at the federal and state level.
 - The whole forestry community needs to be engaged.
 - Sound science is the key. The science is in place, but needs to be pushed policy-wise.
 - Can the Council influence national policy?
 - *In September, the Council will discuss whether it is worthwhile for the Council to try to influence policy, or if it would be more effective in a support role.*
- ⇒ **Strategy # 8 – Increase the functional size of forest blocks by encouraging coordination of management of clusters of forest ownerships.**
 - Promote forest cooperative organizations to help coordinate management.
 - Local units of government could be effective.
 - It is important to convene partners at the local level.
 - Could apply same concept used on the agricultural model in the Farm Bill to large areas.
 - *In September, the Council will discuss further whether or not the Council is best positioned to effectively handle this strategy.*
- ⇒ **Strategy #43 – Develop collaborations and partnerships to engage all forestry stakeholders.**
 - This is a key Council role. Specific actions to take may now be considered by the Council.
- ⇒ **Strategy # 7 – Strengthen collaborative and large-scale planning at the town, county, state and federal levels.**
 - It is very important to figure out how. Our forests are suffering because we may not be doing as good a job of planning as we could.
 - The Council has multiple interests, which is key to working on this. It needs to stimulate them.
 - Link to town and county farmland preservation experience, applying the same approach to forest land.
 - Local government is the key.
- ⇒ **Strategy #5 – Reduce the rate of ownership parcelization of small forest blocks (i.e. less than 500 acres).**
 - The role of the Council needs to be identified.
 - *In September, the Council will discuss its role, and how this strategy might be linked to Strategies #7 and #8, above.*
- ⇒ **Strategy # 27 – Collect information and develop policy to ensure efficient and sustainable use of our forest resources in regards to energy production.**
 - This seems to be a continuation of work the Council has done previously.
 - The Council needs to decide how to proceed in the future in light of a changing environment.
 - It could be helpful to revisit the process used in developing the Biomass Harvest Guidelines.

Chair Souba expressed his belief that because of the very large role that forests play in our economy, it is important that the Council consider at least one or two strategies related to the economy. Of particular importance to him is Strategy #38, pertaining to investing in forest conservation. Bill Horvath and Jane Severt agreed that this should be a priority strategy. Paul asked members if there were any other strategies that they thought should be added to the list for consideration. Following are the strategies that were added to the list above after the discussion as priority items for the Council to work on, along with key considerations that arose from the discussion:

- ⇒ **Strategy # 38 – Invest in forest conservation to contribute to a strong economy and provide clean water and air, wildlife, and other ecosystem services.**
 - This strategy has overarching value.
 - The Council needs to be engaged.
 - Consider incorporating this with Strategy #40, which deals with building public understanding.
 - Also consider incorporating with Strategy #39, which deals with ecological and economic benefits.
 - Incorporate Strategy #41 as well, dealing with support for existing forest products companies.
- ⇒ **Strategies #9 & #10 – Encourage a tax structure that favors well-managed forests (#9), and increase acreage of privately-owned forests managed based on generally accepted forest management practices (#10).**
 - These two items dovetail into the Legislative Council Study of the MFL.
 - The study will open the door to conversation with local government. The Council needs to determine what it wants to accomplish and forward that information on to the Legislature.
 - *The Council needs to identify how to incorporate some of these issues into the Legislative Council Study of the MFL, and should be ready to discuss at the September meeting.*
- ⇒ **Strategies #18 & #19 – Increase scientific knowledge needed to understand the economic, ecological and social impacts of various deer populations (and associated deer herbivory on forests) (#18), and encourage the forestry community to be engaged in deer management issues with an understanding of the long-term significance of deer impacts on sustainable forestry (#19).**
 - This is a social issue.
 - The Council has been an important voice in this.
 - The Council needs to find a more proactive approach
 - Perhaps this should be linked with Strategy #43 above.
 - *Between now and September, Council members should think about whether this should be taken on as an initiative, or if the Council should instead be reactive in its approach.*

After the Statewide Strategy is submitted to the Forest Service, it will be available electronically and also in hardcopy form upon request.

DECISION ITEMS:

- Council members identified Strategies 37, 8, 43, 7, 5, 27, 38 (incorporated with #39-#41), 9 and 10 together, and 18 and 19 together (incorporated with #43), as priorities to consider for possible Council action at its September meeting.
- At its September meeting, the Council will discuss whether it is worthwhile for it to try to influence climate policy, or if it would be more effective in a support role.
- At its September meeting, the Council will discuss further whether or not it is best positioned to effectively handle Strategy 8, encouraging the coordination of management of ownership clusters.
- At its September meeting, the Council will decide what specific actions to take on Strategy 43.
- At its September meeting, the Council will discuss its role in reducing the rate of ownership parcelization, and how Strategy 5 might be linked to Strategies 7 and 8.
- At its September meeting, the Council will discuss how it will track progress on the Legislative Council Study of the MFL and how it will incorporate some of its priority issues into it.
- At its September meeting, the Council will discuss specifically what form its role in Strategies 18 and 19, pertaining to deer issues, would be.

ACTION ITEMS:

- Paul DeLong will summarize the priority Strategies discussed by the Council members and send them a homework assignment in the next couple of weeks to complete for the September meeting discussion.
- Council members will get comments or edits on the Strategy to Paul DeLong before Friday, June 18th.
- Paul DeLong will send out a link to the website where the Statewide Strategy will be accessible.

NRCS Forestry Cost-share Programs – Greg Rebman

Greg is the State Forester at the Natural Resource Conservation Service (NRCS), formerly the Soil Conservation Service. He is its first one since 1979, and considers his hiring reflective of the huge shift in the Agency's direction toward forestry and its policies for forest landowners represented by the 2008 Farm Bill, which established conservation on forest land as a primary goal for NRCS, directing it to work more closely with state agencies and the private sector. Greg delivered a presentation on cost-share programs contained in the Farm Bill, focusing on the two major programs, the Environmental Quality Incentives Program (EQIP), designed as a means to install conservation practices on private land, and the Conservation Stewardship Program (CSP), designed to reward good land management and encourage additional conservation measures. It replaces the Conservation Security Program. He noted that within the EQIP program are scenarios with the potential to address EAB. His presentation, *The 2008 Farm Bill and Forest Management*, is attached:



NRCSCostShareProg
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Biomass Commodity Exchange Report – Stephen Dinehart

Steve is the President of Heartland Business Consultants, Inc., and Project Director of the Biomass Commodity Exchange (BCEX). The idea for the Exchange came from the Council's Woody Biomass Task Force. There has been a tremendous amount of interest in the project since then. Steve anticipates that it will provide a much needed public service.

When the Center for Technology Transfer, now Clean Tech Partners, was unsuccessful in its attempts to secure funding for it, WE Energies, NewPage, USFS, Focus on Energy, BDC, and other stakeholders chipped in to fund the business plan. Steve estimates that \$2.4 million will be necessary to carry the project through the first three years, of which about \$700,000 will be needed just to get it going. The remainder will primarily fund the educational staff. Some venture capitalists have expressed interest in providing funding. Opening small shares of stock to some of the supply industry is one idea being considered, as is the possibility of stock issuance to large industries. Diversification of ownership is being sought to avoid the appearance of bias. Though he originally planned on getting the Exchange up this year, the market isn't quite ready yet. He now plans to have development finished and be ready to launch the Exchange by the end of 2011. Steve's presentation, *The Biomass Commodity Exchange*, summarizes the project succinctly, and is attached below:



BCEXpresentation.pp
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State Forester's Report - Paul DeLong

Update Regarding Division Strategic Direction and Alignment

Since Paul talked to the Council about the Strategic Direction and Alignment at the March Council meeting, the Fire Program Assessment was completed, and the Council members received copies of it. Paul cautioned the Council not to grab hold of rumors that have been circulating about decisions supposedly made by the Division to close ranger stations, among other things. The Division has not made any such

decisions yet; in fact, they have not even been discussed. The Strategic Direction is still being developed. The rumors may be reflective of anxiety people are feeling as a result of the current fiscal environment.

Some of the dates listed on the “Adapting to New Realities” timeline Paul distributed in March have shifted because of work the Division wants to complete before the end of the year. Stakeholders will be contacted about what they think DNR’s role is in addressing priorities in the Statewide Forest Strategy. The feedback received will serve as the basis for a draft Strategy targeted for completion by September 1st, in time for the Council to discuss at its next meeting. A second draft is anticipated to be out in November, and the final by the end of December. What the Department should be investing resources in is the desired product. The new Governor’s Budget comes out in February and will be in place by the end of the Fiscal Year. Though the new Strategic Direction won’t be operational for some time, the Department needs to be clear about what its priorities are when the budget gets debated so that it has the opportunity to have an influence on the outcome, and is able to make a clear statement to the incoming administration and legislature about the value of forestry in the state, the public and private roles in forestry, the state investment in forestry, and its responsiveness to the priorities of today.

FY ’11-13 State Budget

This is the first time in decades that there has not been an incumbent Governor running for reelection. The new State Budget will be that of a new Governor. The DNR has not received any budget instructions yet, and although it isn’t clear when it will get any, it expects to go to the NRB in September with a budget that reflects the expectation that it will have to do a budget cutting process. So DNR is focusing on what it will need to maintain basic operations if there are cuts. We should have a clearer idea of where things stand by the September meeting. The Council should prepare to weigh in with the new Legislature on budget issues. The Federal FY’12 Budget, now being formulated, is also expected to contain some significant reductions.

DECISION ITEMS:

- DNR’s role in the Statewide Strategy will be an agenda item at the September Council meeting.

Legislative Issues – Rep. Fred Clark

Rep. Clark remarked that with the retirement of Rep. Donald Friske and the appointment of Rep. Gary Sherman to the District IV Court of Appeals, the Assembly Forestry Committee had lost some real talent. Fortunately, the remaining five members work together well in a bipartisan manner.

Legislative Session Summary

A number of bills relating to forestry were active in the legislative session just ended. Rep. Clark distributed a summary, and went over the highlights:

- AB 271 – Regulation of Land Surveyors – Stalled in Senate. Rep. Clark’s bill. Added an exemption from licensure requirements for natural resources professionals was. Will be reintroduced in the next session.
- SB 408 – Siting Communications Towers – Passed as 2009 Wisconsin Act 186. Rep. Hubler’s bill. Created a limited ability to withdraw land from MFL for purposes of siting a public safety communications tower.
- AB 530 – Agricultural Conversion of Managed Forest Land – Referred to JFC, no action.
- AB 580 – Changes to the MFL Program – Enacted into law as Wisconsin Act 365. Changes streamline administration of MFL program and deal with longstanding inconsistencies.
- AB 715 – Areas of Land Divided from Parcels over 1,000 Acres Subject to MFL – Referred to JFC. Attempts to get around most problematic issues of closing land. Will take up in Study Committee.
- AB 749 – Biomass Harvesting Tax Credit – Published May 10th as Wisconsin Act 269. Provides a \$900,000 tax credit to biomass operators who invest in biomass equipment. Has broad support.
- AB 754 – Tax Credit for Lumber Manufacturing Facility Investments – Referred to JFC, no action.
- AB 778 – Vehicle Weight Limitations – Published May 19th as Wisconsin Act 222. allows year-round operation on state highways of vehicles transporting raw forest products.
- AB 794 – Thermal Biomass Heating System Tax Credits – Referred to JFC – no action. Will likely be taken up again in next session.

- AB 910 –Establishment of Wisconsin Conservation Corps – Not taken up by Senate – out of time. Will be reintroduced in the next session.

Rep. Clark and Henry Schienebeck of GLTPA have been working on the issue of worker's compensation insurance for loggers. They've been exploring the idea of a self-rating, self-insurance program for the logging industry, which has been challenging, as the insurance-related agencies in the state don't want to see it happen. Other avenues they've been pursuing or plan to pursue include:

- Development of a safety training program that the Worker's Compensation Rating Bureau is committed to building a premium discount around once they get it authorized.
- Getting the safety training program authorized. Some training money may be available from a Biomass Sector Workforce Development grant that would help certify the logger safety program.
- Assuring that the Rating Bureau is looking accurately at the mechanized and manual rates that now exist.
- Asking what the Industry can do to ensure that every operator is purchasing appropriate insurance.

MFL Legislative Council Study Update

The MFL Study is one of fourteen studies approved for work this summer and fall. Rep. Clark distributed copies of the Council Study Committee Charge to Council members. The next step will be to staff the committees. Rep. Clark will be Chair, and Rep. Friske has volunteered to Co-Chair the Study Committee. Rep. Hubler and Sen. Holperin will also serve. Attorneys Rachel Letzig and Scott Gross will be Staff Attorneys. The Committee hopes to meet at least three times between now and the middle of September, and Rep. Clark intends to bring up the issue of leasing and closed land. He hopes to be able to report about the make-up of the Committee by the end of next week.

September Meeting Agenda

The next Council meeting will take place on Tuesday, September 14th in Madison. Possible topics include:

- Council Role in Strategies
- DNR Strategic Direction
- State Forester's Report
 - FY '11-13 DNR Budget Request
- Legislative Report with MFL Legislative Council Study Committee Update
- Annosum Issue – Jane Cummings Carlson
- Biomass Harvesting Guidelines: Update on administration, sales set-up, soils issues, research
- Forestry Exploration Center

The meeting was adjourned at 3:00 p.m.

Submitted by:

Mary Brown, WDNR