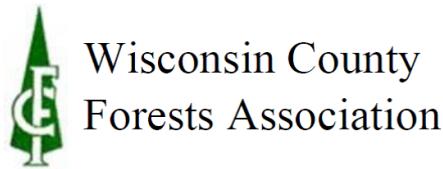


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December 23, 2013

The Honorable Alberta Darling, Co-Chair
Committee on Joint Finance
Room 317 East
State Capitol
PO Box 7882
Madison WI 53707-7882

The Honorable John Nygren, Co-Chair
Committee on Joint Finance
Room 309 East
State Capitol
PO Box 8953
Madison, WI 53707-53708

Dear Senator Darling and Representative Nygren:

Pursuant to s. 26.105(1), Wis. Stats., the Great Lakes Timber Professionals Association (GLTPA) and Wisconsin County Forests Association (WCFA) jointly submit the attached Forestry Study Plan to you, in your roles as co-chairs of the Joint Committee on Finance, for consideration and approval by the Joint Committee on Finance.

In addition to serving as the Executive Directors of these organizations, we also serve as Chair and Vice-Chair of Wisconsin's Council on Forestry. We are committed to engage the full Council to achieve solutions to issues identified and prioritized by Wisconsin's forestry community. The interconnectedness of Wisconsin's forestry community is often overlooked. However, economic, ecological and social aspects of natural resource management must all be considered in decision making. Grant funds provided under s. 26.105, Wis. Stats., will afford us the opportunity to evaluate current forest management practices and policies to better understand where efficiencies can be gained ensuring Wisconsin's forest products industry can remain competitive and vibrant, while assuring the ecological, economic and social benefits of Wisconsin forests continue for future generations.

Once approved our plan would be to report progress on a quarterly basis to both the Council on Forestry and the Joint Finance Committee.

Thank you for your consideration,

A handwritten signature in black ink that reads "Henry Schienebeck".

Henry Schienebeck, Executive Director
Great Lakes Timber Professionals Association
715-282-5828
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A handwritten signature in black ink that reads "Jane F. Severt".

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Proposal for Consideration by Wisconsin Joint Committee on Finance:

2013 Wisconsin Forestry Practices Study Plan

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I. Statement of Forest Practices Study Need and Research Objectives:

Forest policies in Wisconsin have been evolving rapidly in recent decades. There has been much discussion and debate regarding effects that changing policies have on current forest-based operations and potential future growth in Wisconsin's forest products industry. Information gaps exist regarding the costs and benefits of forest policies, regulations and guidelines in Wisconsin. Addressing these information gaps through a well-focused forest practices study will serve to establish a credible research information data base for addressing identified issues and concerns. It is our goal to obtain research results which will help guide decisions and policy development for investment in forest-based manufacturing industries in Wisconsin, while ensuring that social and ecological benefits provided by Wisconsin's forest remain viable for future generations. We are committed to research that addresses the research question: **How does Wisconsin continue to provide sustainably grown wood fiber to support competitive wood using industries in the future?** We will be utilizing a consultative process with the Wisconsin Council on Forestry to guide research work over two years; sequencing priorities including the following research questions/objectives:

- What is the availability¹ of wood fiber in the state – by broad product categories, region, and ownership – now and in the future?
- How have land ownership changes, experienced over the last 15 years, affected the supply of wood fiber?
- What are the positive and negative impacts² of regulations and voluntary guidelines (e.g., best management practices, silvicultural guidelines, etc.) on the supply of wood fiber?
- What are the positive and negative impacts of forest certification programs on both the supply and the demand for wood fiber?
- What is capacity³ and demand of wood-using industries to utilize Wisconsin's wood fiber resource?

¹ Timber "availability" is typically defined as that which is biologically available (i.e., growth – mortality). Timber "supply" refers to what markets, landowner objectives, and policy allow.

² Impacts include ecological, economic, and social.

³ Capacity refers to maximum production without concern for input (e.g., labor, fiber) or outputs (e.g., buyers), while demand reflects what consumers are willing to purchase at a given cost.

- What portion of wood supply is currently being used by existing industries and how much wood fiber would be available for industry growth?
- Are there changes or bottlenecks across the supply chain from stump to mills that affect supply or present opportunities?
- Identify and explore other substantive factors that might prohibit Wisconsin from remaining competitive into the future.
- Are there unmet needs for fire prevention in Wisconsin?

The timeline for this work would be to first seek Wisconsin Joint Committee on Finance (WJCF) approval of the Study Plan. Following approval, an initial Request for Proposals (RFP) for research projects is targeted for early February 2014. Subsequent RFPs would be offered after results were completed in the first series of forest study research projects. All work would be targeted for completion two years after WJCF approval.

II. Background Information

In early 2011, Wisconsin's Council on Forestry (COF) identified five priority issues:

- timber supply,
- forest certification,
- Wisconsin's Managed Forest Law (MFL) Program,
- deer, and
- education.

The COF formed committees to address each of these priority issues. Since that time, Wisconsin's COF has struggled with sufficient funding to gather reliable, scientific data necessary for developing guidance addressing these and other forest policy issues. *2013 Wisconsin's Forestry Practices Study* will enable necessary research efforts.

To address the wide range of issues identified, Great Lakes Timber Professionals (GLTPA) and Wisconsin County Forest Association (WCFA) have selected the National Council for Air and Stream Improvement (NCASI) to serve as general contractor for this Study. NCASI is an independent, non-profit 501(c)(6) research institute formed in 1943 focusing on environmental and sustainability topics relevant to forest management and the manufacture of forest products. **NCASI's mission** is to undertake scientific studies that will enhance the technical understanding of environmental and sustainability issues associated with forest management practices and the use of wood-derived materials to manufacture forest products. NCASI will subcontract research projects out to qualified organizations. We believe that multiple research projects (rather than one overly broad project) will better serve the information needs of the forestry community.

III. Role of Identified Organizations

Grant Recipients - Great Lakes Timber Professionals Association (GLTPA) and Wisconsin County Forests Association (WCFA) – GLTPA and WCFA will jointly oversee execution of the *2013 Wisconsin Forestry Practices Study*. GLTPA and WCFA will direct research needs and objectives to

NCASI and schedule periodic research reviews to ensure project goals are being met. At any point during the research process, questions about the Study should be directed to GLTPA and WCFA. GLTPA and WCFA assume a joint responsibility for Study communication that emphasizes transparency, accountability, and rigor.

Great Lakes Timber Professionals Association - GLTPA will serve as fiscal agent for the study, receiving grant funds and passing those funds through to the grant project's general contractor. GLTPA will be invoiced quarterly (every three months) from the general contractor as the project progresses based on general contractor's actual expenses (including travel) directly related to the *Wisconsin Forestry Practices Study* during the preceding quarter. After invoice is approved, GLTPA will seek reimbursement from Wisconsin Department of Natural Resources. GLTPA will also be responsible for distributing the final product(s) to the appropriate parties. GLTPA anticipates providing 200 hours of in-kind service annually (400 hours for the Grant period for a value of \$20,400). GLTPA will be reimbursed via the Grant for staff time for administration of the Grant. GLTPA administrative costs will not exceed \$3,000 per year (\$6,000 for the Grant period).

GLTPA is a non-profit 501(c)(6) organization that represents members in Wisconsin and Michigan including loggers, truckers, sawmills, paper manufacturers, forest landowners, forestry professionals and outdoor recreational enthusiasts. Their mission statement is "to lead the forest products industry in sustainable forest management through advocacy, professionalism, service to members, education and training".

Wisconsin County Forests Association – WCFA will assume a joint oversight role with GLTPA as outlined above. WCFA anticipates providing 200 hours of in-kind service annually (400 hours for the Grant period for a value of \$17,000) and no *Wisconsin Forestry Practices Study* grant funds will be disbursed to WCFA.

WCFA was incorporated in 1968 as a non-stock, non-profit corporation under Chapter 181 of state statutes. The association represents the forestry interests of 29 Wisconsin counties with county forests established under ss. 28.10, 28.11 and ch. 77, Wis. Stats. These 29 counties manage nearly 2.4 million acres of public forests. Their mission statement is; "The primary purpose of the Wisconsin County Forests Association is to provide a forum for direction and leadership to members of our organization. Our focus is to collaborate with partner groups to ensure the long-term health and sustainability of forest ecosystems."

National Council for Air and Stream Improvement (NCASI) - As discussed above, NCASI will serve in a "general contractor" role for *Wisconsin's Forestry Practices Study*. NCASI will develop a portfolio of research projects that addresses the goals and objectives of the *Wisconsin's Forest Practices Study*. Research projects will be conducted by subcontractors to NCASI (e.g., universities and forestry consulting firms) selected in consultation with GLTPA, WCFA, and the Wisconsin Council on Forestry. NCASI will subcontract with a consultant to serve as a Project Manager. The Project Manager will control project schedule, cost and performance risks to ensure the *Wisconsin's Forest Practices Study* meets its defined objectives and outcomes. NCASI will be responsible for monitoring the progress of subcontracted projects and for keeping GLTPA and WCFA informed of their progress. NCASI's primary deliverables are:

- (i) a portfolio of well-designed research projects that address priorities identified in the study document;

- (ii) reports from subcontractors on their research projects; and
- (iii) interpretive summaries of the subcontractor reports and other relevant information.

Early in the project, NCASI will also conduct an inventory of recent and ongoing research relevant to the overall study. As peer review is critical to the success and credibility of the study, we will incorporate a peer review in the vetting of study findings.

NCASI will submit quarterly invoices to GLTPA for amounts sufficient to cover actual expenses to subcontractors during the previous three month period. NCASI anticipates providing in-kind services of 160 hours per year (320 hours for the Grant period for a value of \$20,800).

Wisconsin Council on Forestry (COF) – As requested by GLTPA/WCFA, COF will review and provide input on direction of *Wisconsin's Forestry Practices Study*. Statutory reference and a current list of COF members can be found in Appendix A. As the Executive Director of GLTPA is also the Chair of COF, and the Executive Director of WCFA is the Vice-Chair of COF, the organizations already have a strong working relationship. The COF anticipates providing 39 hours of in-kind service annually (78 hours for the Grant period for a value of \$4,000).

Wisconsin Council on Forestry Wisconsin Forest Practices Study Subcommittee - This subcommittee will be appointed by the Chair and Vice-Chair of the Council on Forestry. Key roles of this subcommittee will be to prioritize the research direction, review the RFPs for research proposals, act as peer reviewers for draft reports, recommend expert peer reviews for draft reports when needed, and provide recommendations to the COF. The COF Subcommittee anticipates providing 200 hours of in-kind services annually (400 hours for the Grant period for a value of \$20,400) and will receive no Grant dollars.

Wisconsin Department of Natural Resources (WDNR) - WDNR will serve as distributor of *Wisconsin's Forestry Practices Study* grant funds. Wisconsin's State Legislature designated receipt and distribution of *Wisconsin's Forestry Practices Study* grant through the WDNR.

IV. Expected Project Deliverables

The budget proposal indicates that 85% of grant funds will be spent on research. NCASI will subcontract with qualified entities or individuals identified through generally acceptable methods, including RFPs, to produce reliable data addressing identified, defined research areas. Data obtained during *Wisconsin's Forestry Practices Study* will become the property of the State of Wisconsin and will be housed in WDNR Division of Forestry and posted on the new web site created for "capacity grants", as directed by Natural Resources Board at their October 2013 meeting. This website will be used to track grant expenditures with a link to study results.

Study results and progress will be reviewed by the Wisconsin COF Forest Practices Study Subcommittee and further by COF for determination of appropriate recommendations for changes to and/or development of forest policy in Wisconsin. Progress reports would be shared on a quarterly basis to both the Council on Forestry and the Joint Finance Committee.

V. Preliminary Budget

Category	Estimated Projects Costs (to nearest \$100)		Amount Requested in this Proposal (to the nearest \$100)	
	2013 - 2014	2014 - 2015	2013 - 2014	2014 - 2015
1. Salaries and Benefits of GLTPA (In-Kind)	\$ 10,200	\$ 10,200	\$ -	\$ -
2. Salaries and Benefits of GLTPA (Grant Administration)	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
3. Salaries and Benefits of WCFA (In-Kind)	\$ 8,500	\$ 8,500	\$ -	\$ -
4. Salaries and Benefits of NCASI (In-Kind)	\$ 10,400	\$ 10,400	\$ -	\$ -
5. Consultant Services (NCASI Project Manager)	\$ 39,100	\$ 39,100	\$ 39,100	\$ 39,100
6. Salaries and Benefits of WCOF (In-Kind)	\$ 4,000	\$ 4,000		
7. Salaries and Benefits of WCOF Forest Practices Subcommittee (In-Kind)	\$ 10,200	\$ 10,200		
8. Research (Multiple Projects)	\$ 257,900	\$ 257,900	\$ 257,900	\$ 257,900
TOTALS	\$ 343,300	\$ 343,300	\$ 300,000	\$ 300,000

Acronym Definitions

GLTPA - Great Lakes Timber Professionals

WCFA - Wisconsin County Forests Association

NCASI - National Council for Air and Stream Improvement

WCOF - Wisconsin Council on Forestry

The Grant is \$600,000 over a two-year period. Over 85% or \$516,000 will be used specifically for research projects. The remaining 15% will be utilized for project management and grant administration. In addition there are 1,598 hours of in-kind service valued at \$82,000 that is being provided by GLPA, WCFA, NCASI, COF, and COF Forest Practices Subcommittee.

VI. Appendix A - COUNCIL on FORESTRY CHARGE

The Wisconsin Council on Forestry was created by State Statute 26.02 in July 2002 to advise the governor, legislature, Department of Natural Resources, Department of Commerce, and other state agencies on a host of forestry issues in the state, including:

1. Protection of forests, from fire, insects, and disease
2. The practice of sustainable forestry, as defined in § 28.04 (1) (e)
3. Reforestation and forestry genetics
4. Management and protection of urban forests
5. Increasing the public's knowledge and awareness of forestry issues
6. Forestry research
7. Increasing the economic development and employment in the forestry industry
8. Marketing and use of forest products
9. Legislation affecting management of Wisconsin's forest lands
10. Staffing and funding needs for forestry programs conducted by the state

COUNCIL MEMBERS (During the term of this report)

Name	Member Type	Organization
Allison, Bruce	Urban and community forestry representative	Allison Tree Care, Inc.
Brown, Troy	Lumber industry representative	Kretz Lumber Co., Inc.
Clark, Rep. Fred	Assembly representative	Wisconsin State Assembly
Dallman, Matt	Nonprofit conservation representative	The Nature Conservancy
DeLong, Paul	Chief State Forester	Wisconsin Department of Natural Resources
Hittle, Tom	Forest products companies managing forest lands representative	Steigerwaldt Land Services, Inc.
Hoppe, James	Paper and pulp industry representative	Packaging Corp. of America
Kerkman, James	Society of American Foresters representative	U.S. Army
Mursau, Rep. Jeffrey	Assembly representative	State Assembly
Quast, Kimberly	Forestry consultant	Wisconsin Consulting Foresters Association
Rickenbach, Mark	School of Forestry representative	UW Madison, Department of Forest & Wildlife Ecology
Schienebeck, Henry	Chair, and Timber Producers Organization representative	Great Lakes Timber Professionals Association
Severt, Jane	County with Forests representative	Wisconsin County Forests Association
Strong, Paul	Federal Department of Agriculture representative	USFS, Chequamegon-Nicolet National Forest
Tiffany, Sen. Tom	Senate Representative	Wisconsin State Senate
Waugh, Virgil	Secondary wood industry representative	Amwood Homes, Inc.
Wedepohl, Richard	Non-industrial, private forest land representative	Wisconsin Woodland Owners Association